DELAWARE COUNTY HOUSING AUTHORITY

ADMINISTRATIVE PLAN

FOR THE

HOUSING CHOICE VOUCHER PROGRAM

APRIL 1, 2027

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GLOSSARY

Chapter 1

OVERVIEW OF THE PROGRAM AND PLAN
INTRODUCTION

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

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

There are three parts to this chapter:

Part I: Delaware County Housing Authority (DCHA). This part includes a description of DCHA, its jurisdiction, its programs, and its mission and intent.

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

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

PART I: DCHA

1-I.A. OVERVIEW
This part explains the origin of DCHA's creation and authorization, the general structure of the organization, and the relationship between the DCHA Board and staff.

1-I.B. ORGANIZATION AND STRUCTURE OF DCHA

The Section 8 tenant-based Housing Choice Voucher (HCV) assistance program is funded by the federal government and administered by DCHA for the jurisdiction of
The County of Delaware, Pennsylvania.

The officials of DCHA are known as commissioners or, collectively, as the Board of Commissioners. Commissioners are appointed in accordance with state housing law and generally serve in the same capacity as the directors of a corporation, establishing policies under which DCHA conducts business, ensuring that policies are followed by DCHA staff and

ensuring that DCHA is successful in its mission. The board is responsible for preserving and expanding the agency's resources and assuring the agency's continued viability.

Formal actions of DCHA are taken through written resolutions, adopted by the board of commissioners and entered into the official records of DCHA. The principal staff member of DCHA is the executive director (ED), hired and appointed by the board of commissioners. The executive director is directly responsible for carrying out the policies established by the commissioners and is delegated the responsibility for hiring training and supervising the remainder of DCHA's staff to manage the day-to-day operations of DCHA to ensure compliance with federal and state laws and directives for the programs managed. In addition, the executive director's duties include budgeting and financial planning for the agency.

1-I.C. DCHA MISSION

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

DCHA Policy

DCHA's mission statement:

> Innovative Housing Choices made affordable. A Commitment to Excellence.

VALUES:

> Loyalty
> Integrity
> Honesty
> Pride
> Respect

1-I.D. DCHA'S PROGRAMS

The following programs are included under this administrative plan:

DCHA's administrative plan is applicable to the operation of the Housing Choice Voucher program.

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

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

ϒAdminister applicable federal and state laws and regulations to achieve high ratings in compliance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.

ϒ Provide decent, safe, and sanitary housing – in compliance with program housing quality standards – for very low-income families while ensuring that family rents are fair, reasonable, and affordable.
ϒ Encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational and other human service's needs.
ϒ Promote fair housing and the opportunity for very low-income families of all ethnic backgrounds to experience freedom of housing choice.
ϒ Promote a housing program which maintains quality service and integrity while providing an incentive to private property owners to rent to very low-income families.
ϒ 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.
ϒ Create positive public awareness and expand the level of family, owner, and community support in accomplishing the DCHA's mission.
ϒ Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
ϒ Administer an efficient, high-performing agency through continuous improvement of DCHA's support systems and commitment to our employees and their development.

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

PART II. THE HOUSING CHOICE VOUCHER (HCV) PROGRAM

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

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

The United States Housing Act of 1937 (the "Act") is responsible for the birth of federal housing program initiatives. The Act was intended to provide financial assistance to states and cities for public works projects, slum clearance and the development of affordable housing developments for low-income residents.

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

Under the Certificate program, federal housing assistance payments were made directly to private owners of rental housing, where this housing was made available to lower-income families. Eligible families were able to select housing in the private rental market. If the housing met certain basic physical standards of quality ("housing quality standards") and was within certain HUD-established rent limitations ("fair market rents"), the family would be able to

receive rental assistance in the housing unit. Families' contribution to rent was generally set at 30 percent of the family's adjusted income, with the remainder of the rent paid by the program.

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

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

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

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

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

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

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

1-II.B. HCV PROGRAM BASICS

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

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

When a family is determined to be eligible for the program and funding is available, DCHA issues the family a housing voucher. When the family finds a suitable housing unit and funding is available, DCHA will enter into a contract with the owner, and the family will enter a lease with the owner.

Each party makes their respective payment to the owner so that the owner receives full rent. Even though the family is determined to be eligible for the program, the owner has the responsibility of approving the family as a suitable renter. DCHA continues to make payments to the owner if the family is eligible and the housing unit continues to qualify under the program.

1-II.C. THE HCV PARTNERSHIPS

To administer the HCV program, DCHA enters a contractual relationship with HUD. DCHA also enters contractual relationships with the assisted family and the owner or landlord of the housing unit. For the HCV program to work and be successful, all parties involved – HUD, DCHA, the owner, and the family – have important roles to play. The roles and responsibilities of all parties are defined in federal regulations and in legal documents that parties execute to participate in the program.

HCV Relationships:

- **Congress appropriates Funding**
- **HUD Provides Funding To DCHA**
- **DCHA Administers Program**
- **Owner /Landlord**
- **Family (Program Participant)**
- **Voucher specifies Family Obligations**
- **Housing Assistance Payments (HAP) Contract specifies Owner and DCHA Obligations**
- **Lease specifies Tenant and Landlord Obligations**
- **Program Regulations and ACC specifies DCHA Obligations and Voucher Funding**

What does HUD do?

HUD has the following major responsibilities:

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

What does DCHA do?

DCHA administers the HCV program under contract with HUD and has the following major responsibilities:
ϒ Establish local policies;
ϒ Review applications from interested applicant families to determine whether applicants are eligible for the program;
ϒ Maintain waiting list and select families for admission;
ϒ Issue voucher to selected families and, if necessary, assist the family in finding a place to live;
ϒ Conduct outreach to owners, with special attention to owners outside areas of poverty or minority concentration;
ϒ Approve the rental unit (including assuring compliance with housing quality standards and rent reasonableness), the owner, and the tenancy;
ϒ Make housing assistance payments to the owner in a timely manner;
ϒ Ensure that families and their rental units continue to qualify under the program;
ϒ Ensure that owners and families comply with program rules;
ϒ Provide families and owners with prompt, professional service;
ϒ Comply with all fair housing and equal opportunity requirements, HUD regulations and requirements, the Annual Contributions Contract, HUD-approved applications for funding,

What does the Owner do?

The owner has the following major responsibilities:

–Screen families who apply for tenancy, to determine if they will be good renters.
- DCHA can provide some information to the owner, but the primary responsibility for tenant screening rests with the owner.
- The owner should consider family background factors such as rent and bill-paying history, history of caring for property, respecting the rights of others to peaceful enjoyment of the property, compliance with essential conditions of tenancy, whether the family is engaging in drug-related criminal activity or other criminal activity that might threaten others.
– Comply with the terms of the Housing Assistance Payments contract, executed with the DCHA;

– Comply with all applicable fair housing laws and discriminate against no one;
–Maintain the housing unit by making necessary repairs in a timely manner;
– Collect rent due from the assisted family and otherwise comply with and enforce provisions of the dwelling lease.

What does the Family do?

The family has the following responsibilities:

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

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

1-II.D. APPLICABLE REGULATIONS

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 35: Lead-Based Paint
- 24 CFR Part 100: The Fair Housing Act
- 24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR Part 983: Project-Based Vouchers
- 24 CFR Part 985: The Section 8 Management Assessment Program (SEMAP)

PART III. THE HCV ADMINISTRATIVE PLAN

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

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

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

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

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

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

HUD regulations contain a list of what must be included in the administrative plan. DCHA'S administrative plan must cover PHA policies on these subjects:

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

ϒ Issuing or denying vouchers, including DCHA'S policy governing the voucher term and any extensions or suspensions of the voucher term. 'Suspension' means stopping the clock on the term of a family's voucher after the family submits a request for approval of the tenancy. If DCHA decides to allow extensions or suspensions of the voucher term, DCHA'S administrative plan must describe how DCHA determines whether to grant extensions or suspensions, and how DCHA determines the length of any extension or suspension (Chapter 5);

ϒ Any special rules for use of available funds when HUD provides funding to DCHA for a special purpose (e.g., desegregation), including funding for specified families or a specified category of families (Chapter 4);

ϒ Occupancy policies, including definition of what group of people may qualify as a 'family', definition of when a family is considered to be 'continuously assisted'; standards for denying

admission or terminating assistance based on criminal activity or alcohol abuse in accordance with 982.553 (Chapters 3 and 12);

ϒ Encouraging participation by owners of suitable units located outside areas of low income or minority concentration (Chapter 13);

ϒ Assisting a family that claims that illegal discrimination has prevented the family from leasing a suitable unit (Chapter 2);

ϒ Providing information about a family to prospective owners (Chapters 3 and 9);

ϒ Disapproval of owners (Chapter 13);

ϒ Subsidy standards (Chapter 5);

ϒ Family absence from the dwelling unit (Chapter 12);

ϒ How to determine who remains in the program if a family breaks up (Chapter 3);

ϒ Informal review procedures for applicants (Chapter 16);

ϒ Informal hearing procedures for participants (Chapter 16);

ϒ The process for establishing and revising voucher payment standards (Chapter 16);

ϒ The method of determining that rent to owner is a reasonable rent (initially and during the term of a HAP contract) (Chapter 8);

ϒ Special policies concerning special housing types in the program (e.g., use of shared housing) (Chapter 15);

ϒ Policies concerning payment by a family to DCHA of amounts the family owes DCHA (Chapter 16);

ϒ Interim redeterminations of family income and composition (Chapter 11);

ϒ Restrictions, if any, on the number of moves by a participant family (Chapter 10);

ϒ Approval by the board of commissioners or other authorized officials to charge the administrative fee reserve (Chapter 16);

ϒ Procedural guidelines and performance standards for conducting required housing quality standards inspections (Chapter 8); and

ϒ DCHA screening of applicants for family behavior or suitability for tenancy (Chapter 3).

Mandatory vs. Discretionary Policy

HUD makes a distinction between:

- Mandatory policies: those driven by legislation, regulations, current handbooks, notices, and legal opinions, and
- Optional, non-binding guidance, including guidebooks, notices that have expired and recommendations from individual HUD staff.

HUD expects PHAs to adopt local policies and procedures that are consistent with mandatory policies in areas where HUD gives the PHA discretion. The PHA's administrative plan is the foundation of those policies and procedures. HUD's directions require PHAs to make policy choices that provide sufficient guidance to staff and ensure consistency to program applicants and participants.

Creating policies based upon HUD guidance is not mandatory but provides a PHA with a "safe harbor." HUD has already determined that the recommendations and suggestions it makes are consistent with mandatory policies. If a PHA adopts an alternative strategy, it must make its own determination that the alternative approach is consistent with legislation, regulations, and other mandatory requirements. There may be very good reasons for adopting a policy or procedure that is different than HUD's safe harbor, but PHAs should carefully think through those decisions

1-III.C. ORGANIZATION OF THE PLAN

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

1-III.D. UPDATING AND REVISING THE PLAN

DCHA will revise this administrative plan as needed to comply with changes in HUD regulations. The original plan and any changes must be approved by the board of commissioners of the agency, the pertinent sections included in the Agency Plan, and a copy provided to HUD.

DCHA Policy

DCHA will review and update the plan at least once a year, and more often if needed, to reflect changes in regulations, DCHA operations, or when needed to ensure staff consistency in operation.

Chapter 2

FAIR HOUSING AND EQUAL OPPORTUNITY
INTRODUCTION

This chapter explains the laws and HUD regulations requiring DCHA to affirmatively further civil rights and fair housing in all federally assisted housing programs. The letter and spirit of these laws are implemented through consistent policy and processes. The responsibility to further nondiscrimination pertains to all areas of DCHA's housing choice voucher (HCV) operations.

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

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

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

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

PART I: NONDISCRIMINATION

2-I.A. OVERVIEW

Federal laws require DCHA to treat all applicants and participants equally, providing the same quality of service, regardless of family characteristics and background. Federal law prohibits discrimination in housing based on race, color, religion, sex, national origin, age, familial status, and disability. DCHA will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975

- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, published in the *Federal Register* February 3, 2012, and further clarified in Notice PIH 2014-20

- Violence Against Women Reauthorization Act of 2013 (VAWA)

When more than one civil rights law applies to a situation; the laws will be read and applied together.

Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted

DCHA Policy

No state or local non-discrimination laws or ordinances apply.

2-I.B. NONDISCRIMINATION

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

DCHA shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called "protected classes")

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

DCHA will not discriminate based on marital status or sexual orientation.

DCHA Policy

DCHA will not use any of these factors to:

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

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

Providing Information to Families and Owners

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

Discrimination Complaints

If an applicant or participant believes that any family member has been discriminated against by DCHA or an owner, the family should advise DCHA. HUD requires DCHA to make every reasonable attempt to determine whether the applicant's or participant's assertions have merit and take any warranted corrective action. In addition, DCHA is required to provide the applicant or participant with information about how to file a discrimination complaint [24 CFR 982.304].

Upon receipt of a housing discrimination complaint, DCHA is required to:

- Provide written notice of the complaint to those alleged and inform the complainant that such notice was made
- Investigate the allegations and provide the complainant and those alleged with findings and either proposed corrective action or an explanation of why corrective action is not warranted
- Keep records of all complaints, investigations, notices, and corrective actions [Notice PIH 2014-20]

DCHA Policy

Applicants or participants who believe that they have been subject to unlawful discrimination may notify DCHA either orally or in writing.

DCHA will attempt to remedy discrimination complaints made against the DCHA.

DCHA will provide a copy of a discrimination complaint form to the complainant and provide them with information on how to complete and submit the form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

PART II: POLICIES RELATED TO PERSONS WITH DISABIILTIES

2-II.A. OVERVIEW

One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make reasonable accommodation in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program.

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

DCHA Policy

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

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

DCHA will display posters and other housing information and signage in locations throughout the DCHA's office in such a manner as to be easily readable from a wheelchair.

2-II.B. DEFINITION OF REASONABLE ACCOMMODATION

A reasonable accommodation is an adjustment made to a rule, policy, practice, or service that allows a person with a disability to have equal access to the HCV program. For example, reasonable accommodation may include making home visits, extending the voucher term, or approving an exception payment standard in order for a participant to lease an accessible dwelling unit.

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

Types of Reasonable Accommodations

When needed, DCHA must modify normal procedures to accommodate the needs of a person with disabilities. Examples include:

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

2-II.C. REQUEST FOR AN ACCOMMODATION

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

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

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

DCHA Policy

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

2-II.D. VERIFICATION OF DISABILITY

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

Before providing an accommodation, DCHA must determine that the person meets the

definition of a person with a disability, and that the accommodation will enhance the family's access to DCHA's programs and services.

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

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

When verifying a disability, DCHA will follow the verification policies provided in Chapter 7. All information related to a person's disability will be treated in accordance with the confidentiality policies provided in Chapter 16. In addition to the general requirements that govern all verification efforts, the following requirements apply when verifying a disability:

* Third-party verification must be obtained from an individual identified by the family who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]

* DCHA must request only information that is necessary to evaluate the disability-related need for the accommodation. DCHA will not inquire about the nature or extent of any disability.

- Medical records will not be accepted or retained in the participant file.
- In the event that DCHA does receive confidential information about a person's specific diagnosis, treatment, or the nature or severity of the disability, the DCHA will dispose of it. In place of the information, DCHA will note in the file that the disability and other requested information have been verified, the date the verification was received, and the name and address of the knowledgeable professional who sent the information [Notice PIH 2010-26].

2-II.E. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION [Joint

Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act PIH 2010-26].

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

ϒ The request was made by or on behalf of a person with a disability.

ϒ There is a disability-related need for the accommodation.

ϒ The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on DCHA, or fundamentally alter the nature of DCHA'S HCV operations (including the obligation to comply with HUD requirements and regulations).

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

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

DCHA Policy

After a request for an accommodation is presented, DCHA will respond, in writing.

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

If DCHA believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, DCHA will notify the family, in writing, of its determination.

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

HUD regulations require DCHA to ensure that people with disabilities related to hearing and vision have reasonable access to DCHA's programs and services [24 CFR 8.6]. At the initial point of contact with each applicant, DCHA shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork.

DCHA Policy

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

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

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

2-II.G. PHYSICAL ACCESSIBILITY

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

- PIH Notice 2010-26
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

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

- This plan describes the key policies that govern DCHA's responsibilities with regard to physical accessibility.
- Notice PIH-2010-26 summarizes information about pertinent laws and implementing regulations related to nondiscrimination and accessibility in federally-funded housing programs.
- DCHA Plan provides information about self-evaluation, needs assessment, and transition plans.

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

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

In general, owners must permit the family to make reasonable modifications to the unit.

However, the owner is not required to pay for the modification and may require that the unit be restored to its original state at the family's expense when the family moves.

2-II.H. DENIAL OR TERMINATION OF ASSISTANCE

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

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

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

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

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

2-III.A. OVERVIEW

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HCV program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Notice of Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Affecting Limited English Proficient Persons, published January 22, 2007 in the *Federal Register.*

DCHA will take affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as Persons with Limited English Proficiency (LEP).

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

In order to determine the level of access needed by LEP persons, DCHA will balance the following four factors: (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by the Housing Choice Voucher program; (2) the frequency with which LEP persons come into contact with the program; (3) the nature and importance of the program, activity, or service provided by the program to people's lives; and (4) the resources available to DCHA and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on DCHA.

2-III.B. ORAL INTERPRETATION

DCHA will offer, competent interpretation services free of charge upon request to the LEP person.

DCHA Policy

Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by the PHA. The interpreter may be a family member or friend.

DCHA will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. "Reasonable steps" may not be reasonable where the costs imposed substantially exceed the benefits.

2-III.C. WRITTEN TRANSLATION

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

DCHA Policy

In order to comply with written-translation obligations, DCHA will take the following steps:

DCHA will provide written translations of vital documents for each eligible LEP language group that constitutes 5 percent or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, can be provided orally;

or

If there are fewer than 50 persons in a language group that reaches the 5 percent trigger, DCHA does not translate vital written materials, but provides written notice in the primary language of the LEP language group of the right to receive

competent oral interpretation of those written materials, free of cost.

2-III.D. IMPLEMENTATION PLAN

After completing the four-factor analysis and deciding what language assistance services are appropriate, DCHA shall determine whether it is necessary to develop a written implementation plan to address the identified needs of the LEP populations it serves.
If DCHA determines that it is not necessary to develop a written implementation plan, the absence of a written plan does not obviate the underlying obligation to ensure meaningful access by LEP persons to DCHA's Housing Choice Voucher program and services.

DCHA Policy
If it is determined that DCHA serves very few LEP persons, and DCHA has very limited resources, DCHA will not develop a written LEP plan, but will consider alternative ways to articulate in a reasonable manner a plan for providing meaningful access. Entities having significant contact with LEP persons, such as schools, grassroots and faith-based organizations, community groups, and groups working with new immigrants will be contacted for input into the process.

If DCHA determines it is appropriate to develop a written LEP plan, the following five steps will be taken: (1) Identifying LEP individuals who need language assistance; (2) identifying language assistance measures; (3) training staff; (4) providing notice to LEP persons; and (5) monitoring and updating the LEP plan.

EXHIBIT 2-1: DEFINITION OF A PERSON WITH A DISABILITY UNDER FEDERAL CIVIL RIGHTS LAWS [24 CFR Parts 8.3, and 100.201]

A person with a disability, as defined under federal civil rights laws, is any person who:

ϒ Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual, or

ϒ Has a record of such impairment, or

ϒ Is regarded as having such impairment

The phrase "physical or mental impairment" includes:

ϒ Any physiological disorder or condition, cosmetic or disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or

ϒ Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term "physical or mental

impairment" includes, but is not limited to: such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

"Major life activities" includes, but is not limited to, caring for oneself, performing manual tasks, walking, seeing, hearing, breathing, learning, and/or working.

"Has a record of such impairment" means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major live activities.

"Is regarded as having an impairment" is defined as having a physical or mental impairment that does not substantially limit one or more major life activities but is treated by a public entity (such as DCHA) as constituting such a limitation; has none of the impairments defined in this section but is treated by a public entity as having such an impairment; or has a physical or mental impairment that substantially limits one or more major life activities, only as a result of the attitudes of others toward that impairment.

The definition of a person with disabilities <u>does not</u> include:

ϒ Current illegal drug users

ϒ People whose alcohol use interferes with the rights of others

ϒ Persons who objectively pose a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the HCV program

The above definition of disability determines whether an applicant or participant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who does not meet this disability is not entitled to a reasonable accommodation under federal civil rights and fair housing laws and regulations.

The HUD definition of a person with a disability is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, the $400 elderly/disabled household deduction, the $480 dependent deduction, the allowance for medical expenses, or the allowance for disability assistance expenses.

The definition of a person with a disability for purposes of granting a reasonable accommodation request is much broader than the HUD definition of disability. Many people will not qualify as a disabled person under the HCV program, yet an accommodation is needed to provide equal opportunity.

Chapter 3

ELIGIBILITY
INTRODUCTION

DCHA is responsible for ensuring that every individual and family admitted to the HCV program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by DCHA to confirm eligibility and determine the level of the family's assistance.

To be eligible for the HCV program:

ϒ The applicant family must:
- Qualify as a family as defined by HUD and DCHA.
- Have income at or below HUD-specified income limits.
- Qualify on the basis of citizenship or the eligible immigrant status of family members.
- Provide social security number information for family members as required.
- Consent to DCHA's collection and use of family information as provided for in DCHA provided consent forms.

ϒ DCHA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or DCHA.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and DCHA definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.

Part III: Denial of Assistance. This part covers factors related to an applicant's past or current conduct (e.g. criminal activity) that can cause DCHA to deny assistance.

PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the assisted unit. This part provides information that is needed to correctly identify family and household members, and to apply HUD's eligibility rules.

3-I.B. FAMILY AND HOUSEHOLD [24 CFR 982.201(c), fr Notice 02/03/2012; Notice PIH 2014-20]

The terms *family* and *household* have different meanings in the HCV program.

Family

To be eligible for assistance, an applicant must qualify as a family. *Family* as defined by HUD includes, but is not limited to the following, regardless actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, disabled person, near-elderly person, or any other single person; or a group of persons residing together. Such group includes but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, or the remaining member of a tenant family. DCHA has the discretion to determine if any other group of people qualifies as a family.

Gender Identity means actual or perceived gender characteristics.

Sexual orientation means homosexuality, heterosexuality, or bisexuality

DCHA Policy

A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously or certify that everyone's income and other resources will be available to meet the needs of the family.

Each family must identify the individuals to be included in the family at the time of application, and must notify DCHA in writing if the family's composition changes

Household

Household is a broader term that includes additional people who, with DCHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

3-I.C. FAMILY BREAK-UP AND REMAINING MEMBER OF TENANT FAMILY

Family Break-up [24 CFR 982.315; Notice PIH 2017-08]

Except under the following conditions, DCHA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up:

If the family breakup results from an occurrence of domestic violence, dating violence, sexual assault or stalking, DCHA must ensure that the victim retains assistance. (For documentation requirement and policies related to domestic violence, dating violence, sexual assault and stalking, see section 16 of this plan

In accordance with Notice PIH 2017-08, for HUD–Veterans Affairs Supportive Housing (HUD–VASH) vouchers, when the veteran is the perpetrator of domestic violence, dating violence, sexual assault, or stalking, the victim must continue to be assisted. Upon termination of the perpetrator's HUD–VASH voucher, the victim should be given a regular HCV if one is available, and the perpetrator's HUD–VASH voucher should be used to serve another eligible family. If a regular HCV is not available, the victim will continue to use the HUD–VASH voucher, which must be issued to another eligible family upon the voucher's turnover.

If a court determines the disposition of property between member of the assisted family in a divorce or separation decree, DCHA is bound by the court's determination of which

DCHA Policy

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

If a family breaks up into two otherwise eligible families while receiving assistance, only one of the new families will continue to be assisted.

In the absence of a judicial decision, or an agreement among the original family members, DCHA will determine which family retains their placement on the waiting list, or will continue to receive assistance taking into consideration the following factors:

> (1) the interest of any minor children, including custody arrangements; (2) the interest of any ill, elderly, or disabled family members; (3) the interest of any family member who is the victim of domestic violence, dating violence, sexual assault, or stalking, including a family member who was forced to leave an assisted unit as a result of such actual or threatened abuse; (4) any possible risks to family members as a result of criminal activity; and (5) the recommendations of social service professionals

Remaining Member of a Tenant Family [24 CFR 5.403]

The HUD definition of family includes the *remaining member of a tenant family,* which is a member of an assisted family who remains in the unit when other members of the family have left the unit. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family. If dependents are the only "remaining members of a

tenant family" and there is no family member able to assume the responsibilities of the head of household, see Chapter 6, Section 6- I.B, for the policy on "Caretakers for a Child."

3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]

Head of household means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a co-head or spouse.

DCHA Policy

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

3-I.E. SPOUSE, COHEAD, AND OTHER ADULT

A family may have a spouse or co-head, but not both [HUD-50058 IB, p. 13].
Spouse means the marriage partner of the head of household.

DCHA Policy

A *marriage partner* includes the partner in a "common law" marriage as defined in state law. The term "spouse" does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.
A *co head* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one co head.

DCHA Policy

Other adult means a family member, other than the head, spouse, or co head, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.

3-I.F. DEPENDENT [24 CFR 5.603]

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, co-head, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a deduction from annual income as described in Chapter 6.

Joint Custody of Dependents

DCHA Policy

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

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, DCHA will make the determination based on available documents such as court orders, documents from school or an IRS return showing which family has claimed the child for income tax purposes.

3-I.G. FULL-TIME STUDENT [24 CFR 5.603, HVC GB p. 5-29]

A full-time student (FTS) is a person who is attending school or vocational training on a fulltime basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution. Identifying each FTS is important because (1) each family member that is an FTS, other than the head, spouse, or co head, qualifies the family for a dependent deduction and (2) the income of such an FTS is treated differently from the income of other family members.

3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100 and 5.403; FR NOTICE 02/03/2012

Elderly Persons
An *elderly person* is a person who is at least 62 years of age.
Near-Elderly Persons
A *near-elderly person* is a person who is at least 50 years of age but below the age of 62.

Elderly Family

An *elderly family* is one in which the head, spouse, co-head, or sole member is an elderly person. Identifying elderly families is important because these families qualify for special deductions from income as described in Chapter 6.

3-I.I. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403; FR NOTICE 02/03/2012]

Persons with Disabilities

Under the HCV program, special rules apply to persons with disabilities and to any family whose head, spouse, or co head is a person with disabilities. The technical definitions of individual with

handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, DCHA must make all aspects of the HCV program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability.

Disabled Family

A *disabled family* is one in which the head, spouse, or co-head is a person with disabilities. Identifying disabled families is important because these families qualify for special deductions from income as described in Chapter 6.

Even though persons with drug or alcohol dependencies are considered persons with disabilities for the purpose of non-discrimination, this does not prevent DCHA from denying assistance for reasons related to alcohol and drug abuse following policies found in Part III of this chapter, or from terminating assistance following the policies in Chapter 12.

3-I.J. GUESTS [24 CFR 5.100]

A *guest* is a person temporarily staying in the unit with the consent of a member of the household who has express or implied authority to so consent.

DCHA Policy

A guest can remain in the assisted unit no longer than 14 consecutive days or a total of 60 cumulative calendar days during any 12 month period.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the assisted household more than 50 percent of the time, are not subject to the time limitations of guests as described above.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure is expected to last 40 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

3.I.K. FOSTER CHILDREN AND FOSTER ADULTS

Foster adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone [24 CFR 5.609].

The term *foster child* is not specifically defined by the regulations.

Foster children and foster adults that are living with an applicant or assisted family are considered household members but not family members. The income of foster children/adults is not counted in family annual income and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603 and HUD-50058 IB, p. 13].

DCHA Policy

A *foster child* is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

3-I.L. ABSENT FAMILY MEMBERS

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

Definitions of Temporarily and Permanently Absent

DCHA Policy

Generally an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member.

Generally an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

DCHA Policy

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

Absences Due to Placement in Foster Care [24 CFR 5.403]

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

DCHA Policy

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

Absent Head, Spouse, or Co head

DCHA Policy

An employed head, spouse, or co head absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

Family Members Permanently Confined for Medical Reasons [HCV GB, p. 5-22]

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

DCHA Policy

DCHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

Return of Permanently Absent Family Members

DCHA Policy

The family must request DCHA approval for the return of any adult family members that DCHA has determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed elsewhere in this chapter.

3-I.M. LIVE-IN AIDE

Live-in aide means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

DCHA must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR 8, to make the program accessible to and usable by the family member with disabilities. A live-in aide is a member of the household, not the family, and the income of the aide is not considered in income calculations [24 CFR 5.609(b)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would not be considered a remaining member of a tenant family.

DCHA Policy

A family's request for a live-in aide must be made in writing.

Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services.

DCHA will not approve a particular person as a live-in aide, and may withdraw such approval if [24 CFR 982.316(b)]:

> The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program; The person commits drug-related criminal activity or violent criminal activity; or The person currently owes rent or other amounts to DCHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.
>
> DCHA will notify the family of its decision in writing.

PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. INCOME ELIGIBILITY AND TARGETING

Income Limits

HUD establishes income limits for all areas of the country and publishes them annually in the *Federal Register*. They are based upon estimates of median family income with adjustments for

family size. The income limits are used to determine eligibility for the program and for income targeting purposes as discussed in this section.

Definitions of the Income Limits [24 CFR 5.603(b)]

Low-income family. A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

Very low-income family. A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

Extremely low-income family. A family whose annual income does not exceed 30 percent of the median income for the area, adjusted for family size.

HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Using Income Limits for Eligibility [24 CFR 982.201]
Income limits are used for eligibility only at admission. Eligibility is established by comparing a family's annual income with HUD's published income limits. To be income-eligible, a family must be one of the following:

ϒ A *very low-income* family

ϒ A *low-income* family that has been "continuously assisted" under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the HCV program [24 CFR 982.4]

DCHA Policy

DCHA will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were issued a voucher by DCHA.

HUD permits DCHA to establish additional categories of low-income families that may be determined eligible. The additional categories must be consistent with DCHA plan and the consolidated plans for local governments within DCHA's jurisdiction.

DCHA Policy

DCHA has not established any additional categories of eligible low-income families.

Using Income Limits for Targeting [24 CFR 982.201]

At least 75 percent of the families admitted to DCHA's program during DCHA'S fiscal year must be extremely low-income families. HUD may approve exceptions to this requirement if DCHA demonstrates that it has made all required efforts, but has been unable to attract an adequate number of qualified extremely low-income families.

Families continuously assisted under the 1937 Housing Act and families living in eligible low income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not subject to the 75 percent restriction.

3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance. All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with DCHA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

Declaration [24 CFR 5.508]

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, co-head, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

U.S. Citizens and Nationals

In general, citizens and nationals are required to submit only a signed declaration that claims their status. However, HUD regulations permit DCHA to request additional documentation of their status, such as a passport.

DCHA Policy

Family members who declare citizenship or national status will not be required to provide additional documentation unless DCHA receives information indicating that an individual's declaration may not be accurate.

Eligible Noncitizens

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with DCHA efforts to verify their immigration status

as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

Ineligible Noncitizens

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a non-contending family members listing, signed by the head, spouse, or co head (regardless of citizenship status), indicating their ineligible immigration status. DCHA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

Mixed Families

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 16 for a discussion of informal hearing procedures.

Ineligible Families [24 CFR 5.514(d), (e), and (f)]

DCHA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by DCHA that the individual or at least one family member is eligible [24 CFR 5.512(a)].

DCHA Policy

DCHA will not provide assistance to a family before the verification of at least one family member. When DCHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice.

The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance, and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with DCHA. The informal hearing with DCHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process. Informal hearing procedures are contained in Chapter 16.

Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)]

For new occupants joining the assisted family DCHA must verify status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

If an individual qualifies for a time extension for the submission of required documents, DCHA must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

DCHA Policy

DCHA will verify the status of applicants at the time other eligibility factors are determined.

3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218Notice PIH2018-24]

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. If a child under age 6 has been added to an applicant family within 6 months prior to voucher issuance, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of the effective date of the initial HAP contract.

Note: These requirements do not apply to noncitizens who do not contend eligible immigration status.

In addition, each participant who has not previously disclosed an SSN has previously disclosed an SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010 are exempt from this requirement and remain exempt even if they move to a new assisted unit.

DCHA must deny assistance to an applicant family if they do not meet the SSN disclosure, documentation and verification, and certification requirements contained in 24 CFR 5.216.

3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230, HCV GB, p. 5-13]

HUD requires that each adult family member, and the head of household, spouse, or cohead, regardless of age, sign form HUD-9886- A, Authorization for the Release of Information/Privacy Act Notice, the form HUD-52675 Debts Owed to Public Housing Agencies and Terminations, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements. The consent form remains effective until the family is denied assistance, assistance is terminated, or the family provides written notification to revoke consent.
The PHA must deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3) and 24 CFR 5.232(a)].

However, this does not apply if the applicant or participant, or any member of their family, revokes their consent with respect to the ability of the PHA to access financial records from financial institutions, unless the PHA establishes a policy that revocation of consent to access financial records will result in denial or termination of assistance or admission [24 CFR 5.232(c)]

PHA Policy

The PHA has established a policy that revocation of consent to access financial records will result in denial of admission.

3-II.E. STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATIONS [24CFR.5.612 AND FR NOTICE 4 10 2006]

Section 327 of Public Law 109-115 and the implementing regulation at 24 CRF 5.612 established new restriction on the eligibility of certain student (both part and full time) who are enrolled in institution of higher education.

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran is not married, and does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be examined along with the income eligibility of the student parents. In these cases, both the student and the student parents must be income eligible or the student to receive HCV assistance. If, however a student in these circumstance is determined independent from his/her parent in accordance with DCHA policy the income of the student's parents will not be considered in determine the student's eligibility.

Definitions – In determining whether and how the new eligibility restriction apply to a student, DCHA will rely on the following definitions [FR 4-10-2006, FR Notice 9/21/16]

Dependent child – in the context of the student eligibility restriction, dependent child means a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of dependent in 24 CFR 5.603, which states that the dependent must be a member of the assisted family, other than the head of household or spouse, who is under 18 years of age, is a person with a disability or is a full time student. Foster children and foster adults are not considered dependents.

Independent Student – DCHA will consider a student "independent" from his or her parents and the parents' income will not be considered when determining the student's eligibility if the following four criteria are all met:

- The individual is of legal contract age under state law.
- The individual has established a household separate from his/her parent for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education's definition of independent student.
    - To be considered an independent student according to the Department of Education, a student must meet one or more of the following criteria:
        - Be at least 24 years old by December 31 of the award year for which aid is sought
        - Be an orphan or ward of the court through the age of 18
        - Be a veteran of the U.S. Armed Forces
        - Have one or more legal dependent other than a spouse (for example, dependent children or an elderly dependent parent)
        - Be a graduate or professional student
        - Be married.

- The individual was not claimed as a dependent by his/her parent pursuant to IRS regulation, as demonstrated on the parents' most recent tax forms.
- The individual provides a certification of the amount of financial assistance that will be provided by his/her parents. This certification must be signed by the individual providing the support and must be submitted even if no assistance is being provided.

DCHA will verify that a student meets the above criteria in accordance with the policies in Section 7-II.E.

Institution of Higher Education – DCHA will use the statutory definition under section 102 of the Higher Education Act of 1965 to determine whether a student is attending an institution of higher education.

Parents

DCHA policy

For purposes of student eligibility restrictions, the definition of parents includes biological or adoptive parents, stepparents (if they are currently married to the biological or adoptive parent), and guardians (e.g. grandparents, aunt/uncle, godparents, etc.).

Person With Disabilities

DCHA will use the statutory definition under section 3(b) (3) (E) of the 1937 Act to determine whether a student is a person with disabilities (see Exhibit 3-1)

Veteran

DCHA policy

A veteran is a person who served in the active military, naval, or air service and who was discharged or released from such service under conditions other than dishonorable.

Vulnerable Youth

DCHA Policy

A *vulnerable youth* is an individual who meets the U.S. Department of Education's definition of *independent student* in paragraphs (b), (c), or (h), as adopted in Section II of FR Notice 9/21/16:

The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older

The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's state of legal residence

The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:

A local educational agency homeless liason

The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director

A financial aid administrator

Determining Student Eligibility

If a student is applying for assistance on his/her own, apart from his/her parents, DCHA must determine whether the student is subject to the eligibility restrictions contained in 24 CFR 5.612. If the student is subject to those restriction, DCHA must ensure that:

(1) The student is individually eligible for the program
(2) Either the student is independent from his/he parents or the student's parents are income eligible for the program, and

(3) The "family" with which the student is applying is collectively eligible for the program.

DCHA policy

For any student who is subject to the 5.612 restriction, DCHA will:

Follow its usual policies in determining whether the student individually and the student's "family" collectively are eligible for the program

Determine whether the student is independent from his/her parents in accordance with the definition of independent student in this section

Follow the policies below, if applicable, in determining whether the student's parents are income eligible for the program

If DCHA determine that the student, the student parents (if applicable), or the student's "family" is not eligible, DCHA will send a notice of denial in accordance with the policies in Section 3-III.F, and the applicant family will have the right to request an informal review in accordance with the policies in Section 16-III.B.

Determining Parental Income Eligibility

DCHA policy

For any student who is subject to the 5.612 restriction and who does not satisfy the definition of independent student in this section, DCHA will determine the income eligibility of the student parents as follows:

If the student's parents are married and living together, DCHA will obtain a joint income declaration and certification of join income from the parents.

If the student's parent is widowed or single, DCHA will obtain an income declaration and certification of income from that parent

If the student's parents are divorced or separated, DCHA will obtain an income declaration and certification of income from each parent.

If the student has been living with one of his/her parents and has not had contact with or does not know where to contact his/her other parent, DCHA will require the student to submit a certification under penalty of perjury describing the circumstances and stating that the student does not receive financial assistance from the parent. DCHA will then obtain an income declaration and certification of income from the parent with whom the student has been living or has contact.

In determining the income eligibility of the student's parent, DCHA will use income limits for the jurisdiction in which the parents live.

PART III: DENIAL OF ASSISTANCE

3-III.A. OVERVIEW

A family that does not meet the following eligibility criteria discussed in Parts I and II, must be denied assistance. In addition, HUD requires or permits DCHA to deny assistance based on certain types of current or past behaviors of family members.

Forms of Denial [24 CFR 982.552(a)(2); HCV GB, p. 5-35]

Denial of assistance includes any of the following:

ϒ Not placing the family's name on the waiting list,

ϒ Denying or withdrawing a voucher,

ϒ Not approving a request for tenancy or refusing to enter into a HAP contract, or

ϒ Refusing to process a request for or to provide assistance under portability procedures.

Prohibited Reasons for Denial of Assistance [24 CFR 982.202(b)]

HUD rules prohibit denial of assistance to the program based on any of the following criteria:

* Age, disability, race, color, religion, sex, or national origin. (See Chapter 2 for additional information about fair housing and equal opportunity requirements.)
* Where a family lives prior to admission to the program
* Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside DCHA's jurisdiction (See Chapter 10, Portability.)
* Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
* Whether the family includes children
* Whether a family decides to participate in a family self-sufficiency program

Whether or not a qualified applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking if the applicant is otherwise qualified for assistance

3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a)]

HUD requires DCHA to deny assistance in the following cases:

ϒ Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity. HUD permits but does not require DCHA to admit an otherwise-eligible family if the household member has completed a DCHA-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g. the person involved in the criminal activity no longer lives in the household).

DCHA Policy

DCHA will admit an otherwise-eligible family who was evicted from federally assisted housing within the past 7 years for drug-related criminal activity, if DCHA is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by DCHA, or the person who committed the crime, is no longer living in the household.

Before denying or terminating assistance as a result of criminal background, DCHA will provide an applicant the opportunity to dispute the accuracy of the criminal background record upon a written request for a review of the criminal background information. When considering the provision of assistance to an applicant or termination of assistance to a tenant, where criminal background could affect assistance, DCHA will notify the applicant /tenant that criminal background information has been received that could potentially affect assistance and advise the client of the opportunity to dispute the information by a written request for a review of the information.

ϒ DCHA determines that any household member is currently engaged in the use of illegal drugs.

DCHA Policy

Currently engaged in is defined as any use of illegal drugs during the previous six months.

ϒ DCHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

DCHA Policy

In determining reasonable cause, DCHA will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol.

ϒ Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing

ϒ Any household member is subject to a lifetime registration requirement under a state sex offender registration program.

3-III.C. OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE

HUD permits, but does not require DCHA to deny assistance for the reasons discussed in this section.

Criminal Activity [24 CFR 982.553]

HUD permits, but does not require, DCHA to deny assistance if DCHA determines that any household member is currently engaged in, or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

DCHA Policy

If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past 7 years, the family may be denied assistance.

Before denying or terminating assistance as a result of criminal background, DCHA will provide an applicant the opportunity to dispute the accuracy of the criminal background record upon a written request for a review of the criminal background information. When considering the provision of assistance to an applicant or termination of assistance to a tenant, where criminal background could affect assistance, DCHA will notify the applicant /tenant that criminal background information has been received that could potentially affect assistance and advise the client of the opportunity to dispute the information by a written request for a review of the information.

Drug-related criminal activity, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

Violent criminal activity, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].
Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or

Criminal activity that may threaten the health or safety of property owners and management staff, and persons performing contract administration functions or other responsibilities on behalf of DCHA (including a DCHA employee or a DCHA contractor, subcontractor, or agent).

Immediate vicinity means within a three-block radius of the premises.

Evidence of such criminal activity includes, but is not limited to:

Conviction for drug-related or violent criminal activity within the past7 years.

Any arrests for drug-related or violent criminal activity within the past7years.

Placement on Megan's Law list. Any record of eviction from public or privately-owned housing as a result of criminal activity within the past 7 years. In making its decision to deny assistance, DCHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the PHA may, on a case-by-case basis, decide not to deny assistance.

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Previous Behavior in Assisted Housing [24 CFR 982.552(c)]

HUD authorizes DCHA to deny assistance based on the family's previous behavior in assisted housing:

DCHA Policy

DCHA **will not** deny assistance to an otherwise eligible family because the family previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program or the Welfare to Work voucher program.

DCHA **will** deny assistance to an applicant family if:

The family does not provide information that DCHA or HUD determines is necessary in the administration of the program.

The family does not provide complete and true information to DCHA.

Any family member has been evicted from federally-assisted housing in the last 5 years

Any PHA has ever terminated assistance under the program for any member of the family.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family owes rent or other amounts to any PHA in connection with Section 8 or other public housing assistance under the 1937 Act, unless the family repays the full amount of the debt prior to being selected from the waiting list. For Mainstream (NED) applicants who owe rent or other amount to any PHA, a negotiated repayment schedule will be established, and the repayment schedule must not be delinquent.

If the family has not reimbursed any PHA for amounts the PHA paid to an owner

under a HAP contract for rent, damages to the unit, or other amounts owed by the

family under the lease, unless the family repays the full amount of the debt prior to being selected from the waiting list.

The family has breached the terms of a repayment agreement entered into with DCHA, unless the family repays the full amount of the debt covered in the repayment agreement prior to being selected from the waiting list.

A family member has engaged in or threatened violent or abusive behavior toward PHA personnel.

Abusive or violent behavior towards PHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to deny assistance, DCHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, DCHA may, on a case-by-case basis, decide not to deny assistance.

3-III.D. SCREENING

Screening for Eligibility

DCHA is authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists DCHA in complying with HUD requirements and DCHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records DCHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

DCHA is required to perform criminal background checks necessary to determine whether any household member is currently registered as a sex offender under a State registration requirement, the family will be denied assistance. resided [24 CFR 982.553(a)(2)(i)].

If DCHA proposes to deny assistance based on a criminal record or on lifetime sex offender registration information, DCHA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission. [24 CFR 5.903(f) and 5.905(d)].

Screening for Suitability as a Tenant [24 CFR 982.307]

DCHA has no liability or responsibility to the owner for the family's behavior or suitability for tenancy. DCHA may opt to conduct additional screening to determine whether an applicant is likely to be a suitable tenant.

DCHA Policy

DCHA will not conduct additional screening to determine an applicant family's suitability for tenancy.

The owner is responsible for screening and selection of the family to occupy the owner's unit. DCHA must inform the owner that screening and selection for tenancy is the responsibility of the owner.

An owner may consider a family's history with respect to factors such as: payment of rent and utilities, caring for a unit and premises, respecting the rights of other residents to the peaceful enjoyment of their housing, criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

HUD requires DCHA to provide prospective owners with the family's current and prior address (as shown in DCHA records) and the name and address (if known) of the owner at the family's current and prior addresses. HUD permits DCHA to provide owners with additional information, as long as families are notified that the information will be provided, and the same type of information is provided to all owners.

DCHA Policy

DCHA will inform owners of their responsibility to screen prospective tenants and will provide owners with the required known name and address information, at the time of the initial HQS inspection or before.

3-III.E. CRITERIA FOR DECIDING TO DENY ASSISTANCE

Evidence [24 CFR 982.553(c)]

DCHA Policy

DCHA will use the concept of the preponderance of the evidence as the standard for making all admission decisions.

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

Consideration of Circumstances [24 CFR 982.552(c)(2)]

HUD authorizes DCHA to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandated (see Section 3-III.B).

DCHA Policy

DCHA will consider the following factors when making its decision:

The seriousness of the case, especially with respect to how it would affect other residents the effects that denial of assistance may have on other members of the family who were not involved in the action or failure

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities

The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

DCHA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

Removal of a Family Member's Name from the Application [24 CFR 982.552(c)(2)(ii)]

Should DCHA's screening process reveal that an applicant's household includes an individual subject to state lifetime registered sex offender registration, DCHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, DCHA must deny admission to the family (Notice 2012-18)

DCHA Policy

As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the assisted unit. the family must present evidence of the former family member's current address upon DCHA's request.

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

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]

If the family includes a person with disabilities, DCHA's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

DCHA Policy

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, DCHA will determine whether the behavior is related to the disability. If so, upon the family's request, DCHA will determine whether alternative measures are appropriate as a reasonable accommodation. DCHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance. See Chapter 2 for a discussion of reasonable accommodation.

3-III.F. NOTICE OF ELIGIBILITY OR DENIAL

If the family is eligible for assistance, DCHA will notify the family when it extends the invitation to attend the voucher briefing appointment, as discussed in Chapter 5.

If DCHA determines that a family is not eligible for the program for any reason, the family must be notified promptly.

The notice must describe

(1) the reasons for which assistance has been denied
(2) the family's right to an informal review, and
(3) the process for obtaining the informal review [24 CFR 982.554 (a)]. See Chapter 16, for informal review policies and procedures.

If a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of the denial, a copy of the record must accompany the notice with an opportunity for the applicant to dispute the accuracy and relevance of the information before DCHA can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.905(d)]. DCHA must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with program requirements [24 CFR 982.553 (d)]

DCHA Policy

The family will be notified of a decision to deny assistance in writing.

3-III.G. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, AND STALKING

The Violence against Women Reauthorization Act of 2013 (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibit DCHA from denying an applicant admission to the HCV program "on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, if the applicant otherwise qualifies for assistance or admission."

Notification

VAWA 2013 expanded notification requirements to include the obligation for DCHA to provide applicants who are denied assistance with a notice of rights and the form HUD-50066 at the time the applicant is denied.

DCHA policy

DCHA acknowledges that a victim of domestic violence, dating violence, sexual assault or staling may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior arrest record) that would warrant denial under DCHA's policies. Therefore, if DCHA makes a determination to deny admission to an applicant family, DCHA will include in its notice of denial:

A statement of the protection against denial provided by VAWA

A description of DCHA confidentiality requirements

A request that an applicant wishing to claim this protection submit to DCHA documentation meeting the specification below with her or his request for an informal review. (see section 16-III.D)

Documentation

Victim Documentation 24 CFR 5.2007

DCHA policy

If an applicant claims the protection against denial of assistance that VAWA provides to victims of domestic violence, dating violence, or stalking, DCHA will request in writing that the applicant provide documentation supporting the claim in accordance with section 16-IX.D of this plan.

Perpetrator Documentation

DCHA policy

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the assisted unit

> Documentation that the perpetrator has successfully completed, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed. The victim and perpetrator must also sign or attest to the documentation.

EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

Person with Disabilities [24 CFR 5.403]

The term *person with disabilities* means a person who has any of the following types of conditions:

ϒ Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads: Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; *or*

In the case of an individual who has attained the age of 55 and is blind (within the meaning of "blindness" as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

ϒ Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.6001(8)], which defines developmental disability in functional terms as:

(A) In General

The term "development disability" means a severe, chronic disability of an individual that:

- Is attributable to a mental or physical impairment or combination of mental and physical impairments;

- Is manifested before the person attains age twenty-two;

- Is likely to continue indefinitely;

- Results in substantial functional limitations in three or more of the following areas of major life activity: (i) self-care, (ii) receptive and responsive language, (iii) learning, (iv) mobility, (v) self-direction, (vi) capacity for independent living, and (vii) economic self-sufficiency; *and*

- Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated.;

(B) Infants and Young Children

An individual from birth to age 9 inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) in the individual, without services and supports, has a high probability of meeting those criteria later in life.

Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.

A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposed of this program.

For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

Individual with Handicaps [24 CFR 8.3]
Individual with handicaps means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. The term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others.

As used in this definition, the phrase:

(1) Physical or mental impairment includes:
(a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; Genito-urinary; hemic and lymphatic; skin; and endocrine; or
(b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

(2) *Major life activities* means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(4) *Is regarded as having an impairment* means:
(a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation;
(b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or
(c) Has none of the impairments defined in paragraph (1) of this section but is treated by a recipient as having such an impairment.

EXHIBIT 3-2 DEFINITION OF INSTITUTION OF HIGHER EDUCATION
[20 U.S.C. 1001 AND 1002]

Eligibility of Student for Assisted Housing Under Section 8 of the U. S. Housing Act of 1937; Supplementary Guidance; Notice [Federal Register, April 10, 2006]

Institution of Higher Education shall have the meaning given this term in the Higher Education Act of 1965 in 20 U.S.C. 1001 and 1002.

Definition of "Institution of Higher Education" from 20 U.S.C. 1001

(a) Institution of higher education. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term "institution of higher education" means an education institution in any state that

(1) Admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate;

(2) Is legally authorized within such State to provide a program of education beyond secondary education;

(3) Provides an educational program for which the institution awards a bachelor's degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree;

(4) Is a public or other nonprofit institution; and

(5) Is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted pre-accreditation status by such an agency or association that has been recognized by the Secretary for the granting of pre-accreditation status, and the Secretary has determine that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.

(b) Additional institutions included. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term in "institution of higher education also includes---

(1) Any school that provides not less than a 1 year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of paragraphs (1), (2), (4) and (5) of subsection (a) of this section; and
(2) A public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (a) (1) of this section, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

(c) List of accrediting agencies. For purposes of this section and section 1002 of this title, the Secretary shall publish a list of nationally recognized accrediting agencies or associations that the Secretary determines, pursuant to subpart 2 of part G of subchapter IV of this chapter, to be reliable authority as to the quality of the education or training offered.

Definition of "Institution of Higher Education" from 20 U.S.C. 1002

(A) Definition of institution of higher education for purposes of student assistance programs

(1) Inclusion of addition institution. Subject to paragraphs (2) through (4) of this subsection, the term "institution of higher education" for purposes of subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 includes, in addition to the institutions covered by the definition in section 1001 of this title----

(a) A proprietary institution of higher education (as defined in subsection (b) of this section);

(b) A postsecondary vocational institution (as defined in subsection (c) of this section); and

(c) Only for the purposes of part B of subchapter IV of this chapter, an institution outside the United States that is comparable to an institution of higher education as defined in section 1001 of this title and that has been approved by the Secretary for the purpose of part B of subchapter IV of this chapter.

(2) Institutions outside the United States

(a) In General. For the purpose of qualifying as an institution under paragraph (1)(C), the Secretary shall establish criteria by regulation for the approval of institutions outside the United States and for the determination that such institution are comparable to an institution of higher education as defined in section 1001 of this title (except that a graduate medical school, or a veterinary school, located outside the United States shall not be required to meet the requirements of section 1001 (a) (4) of this title). Such criteria shall include a requirement that a student attending such school outside the United States is ineligible for loans made, insured, or guaranteed under part B of subchapter IV of this chapter unless---

(i) In the case of a graduate medical school located outside the United States---

(I)(aa) At least 60 percent of those enrolled in, and at least 60 percent of the graduates of, the graduate medical school outside the United States were not persons described in section 1091 (a)(5) of this title in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; and

(bb) At least 60 percent of the individuals who were students or graduates of the graduate medical school outside the United States or

Canada (both nationals of the United States and other) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the ear for which a student is seeking a loan under part B of subchapter IV of this chapter; or

(II) The institution has a clinical training program that was approved by a State as of January 1, 1992; or

(ii) In the case of a veterinary school located outside the United States that does not meet the requirements of section 1001 (a)(4) of this title, the institution's students complete their clinical training at an approved veterinary school located in the United States.

(b) Advisory panel

(i) In general. For the purpose of qualifying as an institution under paragraph (1)(C) of this subsection, the Secretary shall establish an advisory panel of medical experts shall----

(I) Evaluate the standards of accreditation applied to applicant foreign medical schools; and

(II) Determine the comparability of those standards to standards for accreditation applied to United States medical schools.

(ii) Special rule if the accreditation standards described in clause (i) are determined not to be comparable, the foreign medical school shall be required to meet the requirements of section 1001 of this title.

(c) Failure to release information. The failure of an institution outside the United States to provide, release, or authorize release to the Secretary of such information as may be required by subparagraph (a) shall render such institution ineligible for the purpose of part B of subchapter IV of this chapter.

(d) Special rule. If, pursuant to this paragraph, an institution loses eligibility to participate in the programs under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, then a student enrolled at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under part B while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.

(3) Limitations based on course of study or enrollment. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution ----

(a) Offers more than 50 percent of such institution's courses by correspondence, unless the institution is an institution that meets the definition in section 2471 (4)(c) of this title;

(b) Enrolls 50 percent or more of the institution's students in correspondence courses, unless the institution is an institution that meets the definition in such section,

excepts that the Secretary, at the request of such institution, may waive the applicability of this subparagraph to such institution of higher education that provides a 2 or 4 year program of instruction (or both) for which the institution awards an associate or baccalaureate degree, respectively;

(c) Has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for a nonprofit institution that provides a 2 or 4 year program of instruction (or both) for which the institution awards a bachelor's degree, or an associate's degree or a postsecondary diploma, respectively; or

(d) Has a student enrollment in which more than 50 percent of the students do not have a secondary school diploma or its recognized equivalent, and does not provide a 2 or 4 year program of instruction (or both) for which the institution awards a bachelor's degree or an associate's degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if a nonprofit institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through contracts with Federal, State, or local government agencies significant numbers of students who do not have a secondary school diploma or its recognized equivalent.

(4) Limitations based on management. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if—

(a) The institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy, except that this paragraph shall not apply to a nonprofit institution, the primary function of which is to provide health care educational services (or an affiliate of such an institution that has the power, by contract or ownership interest, to direct or cause the direction of the institution's management or policies) that files for bankruptcy under chapter 11 of title 11 between July 1, 1998 and December 1, 1998; or

(b) The institution, the institution's owner, or the institution's chief executive officer has been convicted of, or has pled no contender or guilty to, a crime involving the acquisition, use , or expenditure of funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, or has been judicially determined to have committed fraud involving funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42.

(5) Certification. The Secretary shall certify an institution's qualification as an institution of higher education in accordance with the requirements of subpart 3 of part G of subchapter IV of this chapter.

(6) Loss of eligibility. An institution of higher education shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution is removed from eligibility for funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 as a result of an action pursuant to part G of subchapter IV of this chapter

(B) Proprietary institution of higher education

(1) Principal criteria. For the purpose of this section, the term "proprietary institution of higher education" means a school that---

(a) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;
(b) Meets the requirement of paragraphs (1) and (2) of section 1001 (a) of this title;
(c) Does not meet the requirement of paragraph (4) of section 1001 (a) of this title;
(d) Is accredited by a nationally recognized accrediting agency of association recognized by the Secretary pursuant to part G of subchapter IV of this chapter;
(e) Has been in existence for at least 2 years; and
(f) Has at least 10 percent of the school's revenues from sources that are not derived from funds provided under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, as determined in accordance with regulations prescribed by the Secretary.

(2) Additional institutions. The term "proprietary institution of higher education" also includes a proprietary educational institution in any State that, in lieu of the requirement in paragraph (1) of section (1001 (a) of this title, admit as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

(C) Postsecondary vocational institution.

(1) Principal criteria. For the purpose of this section, the term "postsecondary vocational institution" means a school that ---

(a) Provides an eligible program of training to prepare student for gainful employment in a recognized occupation;
(b) Meets the requirements of paragraphs (1), (2), (4) and (5) of section 1001 (a) of this title; and
(c) Has been in existence for at least 2 years.

(2) Additional institution. The term "postsecondary vocational institution" also includes an educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

Chapter 4

APPLICATIONS, WAITING LIST AND TENANT SELECTION
INTRODUCTION

When a family wishes to receive Section 8 HCV assistance, the family must submit an application that provides DCHA with the information needed to determine the family's eligibility. HUD requires DCHA to place all families that apply for assistance on a waiting list.

An applicant can apply for housing assistance on DCHA's online Housing Assistance Application through RENTCAFE located on our website at www.dcha1.org.
All correspondence regarding applications will be sent via e-mail to those applicants providing an e-mail address.

When HCV assistance becomes available, DCHA must select families from the waiting list in accordance with HUD requirements and DCHA policies as stated in the administrative plan and the annual plan.

DCHA is required to adopt a clear approach to accepting applications, placing families on the waiting list, selecting families from the waiting list and must follow this approach consistently.

The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or DCHA to receive preferential treatment. Funding earmarked exclusively for families with particular characteristics may also alter the order in which families are served. HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that DCHA affirmatively further fair housing goals in the administration of the program [24 CFR 982.53, HCV GB p. 4-1]. Adherence to the selection policies described in this chapter ensures that the PHA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and DCHA policies for taking applications, managing the waiting list and selecting families for HCV assistance. The policies outlined in this chapter are organized into three sections, as follows:

Part I: The Application Process. This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how DCHA will handle the applications it receives.

Part II: Managing the Waiting List. This part presents the policies that govern how DCHA'S waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for assistance. It also discusses the process DCHA will use to keep the waiting list current.

Part III: Selection for HCV Assistance. This part describes the policies that guide DCHA in selecting families for HCV assistance as such assistance becomes available. It also specifies how in-person interviews will be used to ensure that DCHA has the information needed to make a final eligibility determination.

PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

This part describes the policies that guide DCHA's efforts to distribute and accept applications, and to make preliminary determinations of applicant family eligibility that affect placement of the family on the waiting list. This part also describes DCHA's obligation to ensure the accessibility of the application process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).

4-I.B. APPLYING FOR ASSISTANCE [HCV GB, pp. 4-11 – 4-16]

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits DCHA to determine the format and content of HCV applications, as well how such applications will be made available to interested families and how applications will be accepted by DCHA.

DCHA Policy

Depending upon the length of time that applicants may need to wait to receive assistance, DCHA may use a one- or two-step application process. A one-step process may be used when it is expected that a family will be selected from the waiting list within 60 days of the date of application. At application, the family must provide all of the information necessary to establish family eligibility and level of assistance. A two-step process may be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, DCHA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list.

An applicant must apply for housing assistance by internet at our website www.dcha1.org Applications must be complete in order to be accepted by DCHA for processing. If an application is incomplete, DCHA will notify the family of the additional information required.

4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS
Elderly and Disabled Populations [24 CFR 8 and HCV GB, pp. 4-11 – 4-13]

DCHA must take a variety of steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard DCHA application process. This could include people with disabilities, certain elderly individuals, as well as persons with limited English proficiency (LEP). DCHA must provide reasonable accommodation to the needs of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or DCHA must provide an alternate approach that provides full access to the application process. Chapter 2 provides a full discussion of DCHA's policies related to providing reasonable accommodations for people with disabilities.

Limited English Proficiency
DCHA is required to take reasonable steps to ensure meaningful access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on DCHA's policies related to ensuring access to people with limited English proficiency (LEP).

4-I.D. PLACEMENT ON THE WAITING LIST

DCHA must review each complete application received and make a preliminary assessment of the family's eligibility. DCHA must accept applications from families for whom the list is open unless there is good cause for not accepting the application (such as denial of assistance) for the grounds stated in the regulations [24 CFR 982.206(b)(2)].

Where the family is selected and is determined to be ineligible, DCHA must notify the family in writing [24 CFR 982.201(f)].

Where the family is not determined to be ineligible, the family will be placed on a waiting list of applicants. No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list [24 CFR 982.202(c)].

Ineligible for Placement on the Waiting List

DCHA Policy

If DCHA can determine from the information provided that a family is ineligible, the family will not be placed on the waiting list.

Where a family is determined to be ineligible, DCHA will send written notification of the ineligibility. The notice will specify the reason for ineligibility, and will inform the family of its right to request an informal review and explain the process for doing so (see Chapter 16).

Eligible for Placement on the Waiting List

DCHA Policy

DCHA will send written notification of the preliminary eligibility determination. Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list. Applicants will be placed on the waiting list according to the date and time their complete application is received by DCHA.

PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW

DCHA must have policies regarding various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for assistance, as well as conducting outreach to ensure a sufficient number of applicants. In addition, HUD imposes requirements on how DCHA may structure its waiting list and how families must be treated if they apply for assistance from DCHA that administers more than one assisted housing program.

4-II.B. ORGANIZATION OF THE WAITING LIST [24 CFR 982.204 and 205]

DCHA's HCV waiting list must be organized in such a manner to allow DCHA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan.

The waiting list must contain the following information for each applicant listed:
ϒ Applicant name;
ϒ Family unit size;
ϒ Date and time of application; applications will be date stamped by DCHA software and processed with 48 hours of receipt.
ϒ Qualification for any local preference;
ϒ Racial or ethnic designation of the head of household.
HUD requires DCHA to maintain a single waiting list for the HCV program unless it serves more than one county or municipality. DCHA IS permitted, but not required, to maintain a separate waiting list for each county or municipality served.

DCHA Policy

DCHA will maintain a single waiting list for the HCV program, with the exception of the Project Based Voucher program. HUD directs that a family that applies for assistance from the HCV program must be offered the opportunity to be placed on the waiting list for any public housing,

project-based voucher or moderate rehabilitation program the DCHA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs.
HUD permits, but does not require, that DCHAs maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs.
A family's decision to apply for, receive, or refuse other housing assistance must not affect the family's placement on the HCV waiting list, or any preferences for which the family may qualify.

DCHA Policy

DCHA will not merge the HCV waiting list with the waiting list for any other program the DCHA operates.

4-II.C. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]

Closing the Waiting List

DCHA is permitted to close the waiting list if it has an adequate pool of families to use its available HCV assistance. Alternatively, DCHA may elect to continue to accept applications only from certain categories of families that meet particular preferences or funding criteria.

DCHA Policy

DCHA may close the waiting list if the estimated waiting period for housing assistance for applicants on the list reaches 24 months for the most current applicants. Where DCHA has particular preferences or funding criteria that require a specific category of family, DCHA may elect to continue to accept applications from these applicants while closing the waiting list to others.

Reopening the Waiting List

If the waiting list has been closed, it cannot be reopened until DCHA publishes a notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received.

DCHA Policy

DCHA will announce the reopening of the waiting list.
If the list is only being reopened for certain categories of families, this information will be contained in the notice.

4-II.D. FAMILY OUTREACH [HCV GB, pp. 4-2 to 4-4]

DCHA must conduct outreach as necessary to ensure that DCHA has a sufficient number of applicants on the waiting list to use the HCV resources it has been allotted.
Because HUD requires DCHA to serve a specified percentage of extremely low income

families (see Chapter 4, Part III), DCHA may need to conduct special outreach to ensure that an adequate number of such families apply for assistance [HCV GB, p. 4-20 to 4-21]. DCHA outreach efforts must comply with fair housing requirements. This includes:

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

DCHA outreach efforts must be designed to inform qualified families about the availability of assistance under the program. These efforts may include, as needed, any of the following activities:
ϒ Submitting press releases to local newspapers, including minority newspapers
ϒ Developing informational materials and flyers to distribute to other agencies
ϒ Providing application forms to other public and private agencies that serve the low income population
ϒ Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

DCHA Policy

While the family is on the waiting list, the family must immediately inform DCHA of changes in contact information, including current residence, mailing address, and phone number.

4-II.F. UPDATING THE WAITING LIST [24 CFR 982.204]

HUD requires DCHA to establish policies to use when removing applicant names from the waiting list.

Purging the Waiting List

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to DCHA request for information or updates because of the family member's disability, DCHA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

DCHA Policy

DCHA will update the waiting list at least once a year by removing the names of those families who are no longer interested, no longer qualify for housing, or cannot be reached by telephone or

Internet email. DCHA will advise families on the Application for Housing Assistance of their responsibility to notify DCHA when mailing address or phone numbers change.

Removal from the Waiting List

DCHA Policy

If at any time an applicant family is on the waiting list, DCHA determines that the family is not eligible for assistance (see Chapter 3), the family will be removed from the waiting list.

If a family is removed from the waiting list because DCHA has determined the family is not eligible for assistance, a notice will be sent to the family's email address of record. The notice will state the reasons the family was removed from the waiting and will inform the family how to request an informal review of DCHA's decision (see Chapter 16) [24 CFR 982.201(f)].

Applicant's failure to update their application annually or at least once a year.

Applicant failed to provide true and complete information.

Applicant submitted fraudulent information.

PART III: SELECTION FOR HCV ASSISTANCE

4-III.A. OVERVIEW

As vouchers become available, families on the waiting list must be selected for assistance in accordance with the policies described in this part.

The order in which families receive assistance from the waiting list depends on the selection method chosen by DCHA and is impacted in part by any selection preferences that the family qualifies for. The source of HCV funding also may affect the order in which families are selected from the waiting list.

The DCHA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to DCHA's selection policies [24 CFR 982.204(b) and 982.207(e)].

4-III.B. SELECTION AND HCV FUNDING SOURCES

Special Admissions [24 CFR 982.203]

HUD may award funding for specifically-named families living in specified types of units (e.g., a family that is displaced by demolition of public housing; a non-purchasing family residing in a HOPE 1 or 2 projects). In these cases, DCHA will admit families that are not on the waiting list, or without considering the family's position on the waiting list. DCHA must maintain records showing that such families were admitted with special program funding.

Targeted Funding [24 CFR 982.204(e)]

HUD may award DCHA funding for a specified category of families on the waiting list. DCHA must use this funding only to assist the families within the specified category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

DCHA Policy

DCHA administers the following types of targeted funding:

Non-Elderly Disabled (NED)
Mainstream
Shelter Plus Care
Family Unification Programs
Project Based Vouchers
Veterans Affairs Supportive Housing (VASH)
Tenant Based Rental Assistance (TBRA)

Regular HCV Funding

Regular HCV funding may be used to assist any eligible family on the waiting list. Families are selected from the waiting list according to the policies provided in Section 4-III.C.

DCHA has established site-based waiting lists for all public housing/affordable communities and limits choices to three public housing/affordable communities plus the Housing Choice Voucher Program.

4-III.C. SELECTION METHOD

DCHA must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the DCHA will use [982.202(d)].

Local Preferences [24 CFR 982.207; HCV p. 4-16]

DCHA is permitted to establish local preferences, and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits DCHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with DCHA plan and the consolidated plan, and

must be based on local housing needs and priorities that can be documented by generally accepted data sources.

DCHA Policy

DCHA uses the following Local Preference system

Residency preferences for families who live, work, or have been hired to work in DCHA's jurisdiction.

> Families who have at least one adult that is employed and has been employed for 3 months and works a minimum of 20 hours per week. This preference is extended equally to . The working preference shall also be available to a family if the head, spouse or sole member is 62 years old or disabled.

DCHA will provide admission preference (non-preference point) for (Mainstream)-non-elderly persons with disabilities transitioning out of instructional and other segregate settings, at serious risk of institutionalization, homeless, or at risk of becoming homeless.

A family that is a victim of domestic abuse that is referred to DCHA by a recognized Domestic Abuse Shelter. The victim must present to DCHA a documented Protection from Abuse Order and a written referral from the shelter.

A family whose head or spouse is a veteran.

Selection of a domestic abuse family or veteran family will be processed using a ration 1 selection for every 10th admission. This ratio is discretionary and will be reviewed at lease annually to determine its effects on issuance of vouchers. Based on recommendations from staff, the Executive Director may authorize a change in this ratio or suspend the processing of this selection.

Delaware County Housing Authority (DCHA)– Moving Up Set Aside Strategy (Graduates)
Moving Up Strategy for Homeless Households in Permanent Supportive Housing Programs
Purpose: Over time, many homeless households who are participants in a Permanent Supportive Housing Program (PSHP), find that they no longer need the level of supportive services that are provided under Permanent Supportive Housing programs (PSH), but they continue to need housing assistance.
A "Move-On" strategy allows CoC communities to free up existing PSHP inventory for individuals with the high service needs, those who have been homeless for the longest time, and/or those with the greatest vulnerabilities. By issuing HCV to participants in PSHP, the CoC can identify individuals and families that no longer need intensive support services and offer vouchers to these households allowing them to continue receiving assistance and freeing up new slots for newly homeless.
The DCHA commits up to 15 graduate vouchers/year, dependent upon available funding.

Goal: Over a 12 month period, the DCHA will "graduate" up to 15 PSHP participating households from the following programs:

Program Name	Partner Agency	Grant Capacity
Shelter + Care 2345	Adult and Family Services	54 – 60 Households
PSH for Chronic Substance Abusers	Holcomb	9 -15 Households
Delco PSH for Adults with Mental Illness	Horizon House	7 -12 Households
Supportive Housing Program for homeless households with disabilities	Family and Community Services	6 – 9 Households

Process: The Division of Adult and Family Services, via the Homeless Permanent Housing Clearinghouse, will identify households who are ready to graduate from a program. At the same time, they will identify a new family to be placed in the "graduate" slots.
Conditions: All newly referred households must be on the DCHA waiting list.

HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans.

In accordance with the annual plan DCHA ensures equal opportunity and affirmatively furthers fair housing. In order to accomplish this goal DCHA has executed a Memorandum of Understanding with county agencies that represent the "Special Needs"
Consumers which will address the case management to be provided to their clients who are participating in assisted housing programs. The Memorandum of Understanding sets aside 25 vouchers to be used by families who are referred to the "special needs" program.
4 vouchers per year will be set aside for the Path Housing clients. This is in addition to the "special needs" program. Path Housing clients are chronic homeless individuals.

DCHA will identify Voucher eligible applicants and provide preference for issuance of Vouchers to Continuum of Care Program and Supportive Housing Program graduates.

Treatment of Single applicants: All families with children and families who include
An elderly person or a person with disability shall be given a selection priority over all other applicants.

DCHA in collaboration with Pennsylvania Housing Finance Agency has executed a letter of agreement to assist persons transitioning from institutions the opportunity to participate in the Housing Choice Voucher Program.

Income Targeting Requirement [24 CFR 982.201(b)(2)]

HUD requires that extremely low-income (ELI) families make up at least 75% of the families admitted to the HCV program during DCHA's fiscal year. ELI families are those with annual

incomes at or below 30% of the area median income. To ensure this requirement is met, DCHA may skip non-ELI families on the waiting list in order to select an ELI family.

Low income families admitted to the program that are "continuously assisted" under the 1937 Housing Act [24 CFR 982.4(b)], as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes [24 CFR 982.201(b)(2)(v)].

DCHA Policy

DCHA will monitor progress in meeting the ELI requirement throughout the fiscal year. Extremely low-income families will be selected ahead of other eligible families on an as-needed basis to ensure the income targeting requirement is met.

Ranking Local Preferences

DCHA will rank preferences to prioritize applicants with local preferences.

These categories will receive a ranking preference:
DCHA has selected the following system to apply local preferences:

1. 9 points= Jurisdiction living or working in Delaware County
2. 3 points= Working at least 20 hours a week or more for 90 consecutive days
. The working preference shall also be available to a family if the head, spouse or sole member is 62 years old or disabled.

*To receive the local employment preference the applicant family must have at least one family member, age 18 years or older employed at the time of DCHA's offer for housing or who expect to live in the jurisdiction as a result of planned employment.

NOTE: Planned employment means bona fide offer to work in the jurisdiction as evidenced by written documentation from the potential employer.

Applicant must be employed a minimum of 20 hours of work per week for the family member claiming the preference.

A family member that leaves a job after receiving benefit of the preference will be asked to document the reasons for the termination. Someone who terminates employment (as opposed to layoff, or taking a new job) will be considered to have misrepresented the facts to DCHA and will have their assistance terminated and or offer cancelled.

The amount earned from employment shall not be a factor in granting the working preference. The working preference shall also be available to a family if the head, spouse or sole member is

62 or older, or is receiving social security disability or SSI disability benefits, or any other payments based on the individual inability to work.

Order of Selection

DCHA system of preferences may select families either according to the date and time of application, or by a random selection process [24 CFR 982.207(c)]. When selecting families from the waiting list DCHA is required to use targeted funding to assist only those families who meet the specified criteria, and DCHA is not permitted to skip down the waiting list to a family that it can afford to subsidize when there are not sufficient funds to subsidize the family at the top of the waiting list [24 CFR 982.204(d) and (e)].

DCHA Policy

The order of selection is based on DCHA's system for weighing preferences.

Local Preferences

Local preference will be used to select families from the waiting list.

Among Applicants with Equal Preference, the waiting list will be organized by date and time.

4-III.D. NOTIFICATION OF SELECTION

When a family has been selected from the waiting list, DCHA must notify the family.

DCHA Policy

DCHA will notify the family by e-mail when it is selected from the waiting list. The notice will inform the family of the following:
Documents that must be provided at the interview to document the legal identity of household members, including information about what constitutes acceptable documentation Other documents and information that should be brought submitted.

If a notification is returned to DCHA

4-III.E. THE APPLICATION INTERVIEW

HUD recommends that DCHA obtain the information and documentation needed to make an eligibility determination Being selected does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if DCHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determine by the DCHA (Notice PIH- 2018-24)

Reasonable accommodation will be made for persons with disabilities who are unable to complete required documents in accordance with procedures listed above.

DCHA Policy

Families selected from the waiting list are required to participate in an eligibility interview.

The head of household and the spouse/co head and all adult members will be required to complete briefing process and complete acknowledgment form of watching briefing presentations and acknowledgement of receiving briefing documents

The family must provide the information necessary to establish the family's eligibility and determine the appropriate level of assistance, as well as completing required forms, providing required signatures, and submitting required documentation. If any materials are missing, DCHA will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within 10 business days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (See Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process. Where an advocate, interpreter or other third party is used to assist the family, the family and DCHA will execute a certification attesting to the role and assistance of the third-party.

Communication will be conducted in English. For limited English proficient (LEP) applicants,

DCHA will provide translation services in accordance with DCHA's LEP plan.
If the family is unable to attend a scheduled interview, the family should contact DCHA in advance of the interview to schedule a new appointment. If a family does not attend a scheduled interview, DCHA will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without DCHA approval will be denied assistance based on the family's failure to supply information needed to determine eligibility. A notice of denial will be issued in accordance with policies contained in Chapter 3.

4-III.F. COMPLETING THE APPLICATION PROCESS

DCHA must verify all information provided by the family (see Chapter 7). Based on verified information, the DCHA must make a final determination of eligibility (see Chapter 3) and must confirm that the family qualified for any special admission, targeted admission, or selection preference that affected the order in which the family was selected from the waiting list.

DCHA Policy

If DCHA determines that the family is ineligible, DCHA will send email notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review (Chapter 16).

If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g. targeted funding, extremely low-income), the family will be returned to its original position on the waiting list. DCHA will notify the family in via email that it has been returned to the waiting list, and will specify the reasons for it.

Chapter 5

BRIEFINGS AND VOUCHER ISSUANCE

INTRODUCTION

This chapter explains the briefing and voucher issuance process. When a family is determined to be eligible for the Housing Choice Voucher (HCV) program, DCHA must ensure that the family fully understands the way the program operates and the family's obligations under the program. This is accomplished through both an oral briefing and provision of a briefing packet containing written documentation of information the family needs to know. Once the family is fully informed of the program's requirements, DCHA issues the family a voucher. The voucher includes the unit size the family qualifies for based on DCHA's subsidy standards, as well as the dates of issuance and expiration of the voucher. The voucher is the document that permits the family to begin its search for a unit, and limits the amount of time the family has to successfully locate an acceptable unit.

This chapter describes HUD regulations and DCHA policies related to these topics in two parts:

Part I: Briefings and Family Obligations. This part details the program's requirements for briefing families orally, and for providing written materials describing the program and its requirements. It includes a particular focus on the family's obligations under the program.

Part II: Subsidy Standards and Voucher Issuance. This part discusses DCHA's standards for determining how many bedrooms a family of a given composition qualifies for, which in turn affects the amount of subsidy the family can receive. It also discusses the policies that dictate how vouchers are issued, and how long families have to locate a unit.

PART I: BRIEFINGS AND FAMILY OBLIGATIONS

5-I.A. OVERVIEW

HUD regulations require DCHA to conduct mandatory briefings for applicant families. The briefing provides a broad description of owner and family responsibilities, explains DCHA's procedures, and includes instructions on how to lease a unit. This part describes how oral briefings will be conducted, specifies what written information will be provided to families, and lists the family's obligations under the program.

5-I.B. BRIEFING [24 CFR 982.301]

DCHA must give the family an oral briefing and provide the family with a briefing packet containing written information about the program. Families may be briefed individually or in groups. At the briefing, DCHA must ensure effective communication in accordance with Section 504 requirements (Section 504 of the Rehabilitation Act of 1973), and ensure that the briefing site is accessible to individuals with disabilities. For a more thorough discussion of accessibility requirements, refer to Chapter 2.

DCHA Policy

Briefings will via internet
All adult members Briefings will be conducted in English. For limited English proficient (LEP) applicants, DCHA will provide translation services in accordance with DCHA's LEP plan (See Chapter 2).

Notification and Attendance

DCHA Policy

Families will be notified of their eligibility for assistance at the time they are invited to attend a briefing.

Oral Briefing [24 CFR 982.301(a)]

Each briefing must provide information on the following subjects:
ϒ How the Housing Choice Voucher program works;
ϒ Family and owner responsibilities;
ϒ Where the family can lease a unit, including renting a unit inside or outside DCHA's jurisdiction;
ϒ For families eligible under portability, an explanation of portability. DCHA cannot discourage eligible families from moving under portability;
ϒ For families living in high-poverty census tracts, an explanation of the advantages of moving to areas outside of high-poverty concentrations;

The HA may not discourage the family from choosing to live anywhere in the jurisdiction, or outside the jurisdiction under portability procedures, unless otherwise expressly authorized by statute, regulation, PIH notice, or court order. The family must be informed of how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process which may affect the familys assistance.

The HA must take appropriate steps to ensure effective communication in accordance with 24 CFR 8.6 and 24 CFR part 35, subpart E and must provide information on the reasonable accommodation process.

DCHA Policy

When DCHA-owned units are available for lease, DCHA will inform the family during the briefing that the family has the right to select any eligible unit available for lease, and is not obligated to choose a DCHA-owned unit.

Briefing Packet [24 CFR 982.301(b)]

Documents and information provided in the briefing packet must include the following:

ϒ The term of the voucher, and DCHA's policies on any extensions or suspensions of the term. If DCHA allows extensions, the packet must explain how the family can request an extension.

ϒ A description of the method used to calculate the housing assistance payment for a family, including how DCHA determines the payment standard for a family, how DCHA determines total tenant payment for a family, and information on the payment standard and utility allowance schedule.

ϒ An explanation of how the DCHA determines the maximum allowable rent for an assisted unit.

ϒ Where the family may lease a unit and an explanation of how portability works, including information on how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process that may affect the family's assistance.

ϒ The HUD-required tenancy addendum, which must be included in the lease.

ϒ The form the family must use to request approval of tenancy**,** and a description of the procedure for requesting approval for a tenancy.

ϒ A statement of DCHA policy on providing information about families to prospective owners.

ϒ DCHA subsidy standards including when and how exceptions are made.

ϒ The HUD brochure on how to select a unit and any additional information on selecting a unit that HUD provides

ϒ Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form.

ϒ A list of landlords or other parties willing to lease to assisted families or help families find units, especially outside areas of poverty or minority concentration.

ϒ Notice that if the family includes a person with disabilities, the family may request a list of available accessible units known to DCHA.

ϒ The family obligations under the program, including any obligations of a welfare-to-work family.

ϒ The grounds on which DCHA may terminate assistance for a participant family because of family action or failure to act.

ϒ DCHA informal hearing procedures including when DCHA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.

An explanation of the advantages of moving to an area that does not have a high crime concentration of low incomes.

DCHA is located in a metropolitan FMR area, the following additional information must be included in the briefing packet in order to receive full points under SEMAP

Indicator 7, Expanding Housing Opportunities [24 CFR 985.3(g)].

ϒ Maps showing areas with housing opportunities outside areas of poverty or minority concentration, both within its jurisdiction and its neighboring jurisdiction.

ϒ Information about the characteristics of these areas including job opportunities, schools, transportation and other services.

ϒ An explanation of how portability works, including a list of portability contact persons for neighboring PHAs including names, addresses, and telephone numbers.

Additional Items to be Included in the Briefing Packet

In addition to items required by the regulations, DCHA may wish to include supplemental materials to help explain the program to both participants and owners.

5-I.C. FAMILY OBLIGATIONS

Obligations of the family are described in the housing choice voucher (HCV) regulations and on the voucher itself. These obligations include responsibilities the family is required to fulfill, as well as prohibited actions. DCHA must inform families of these obligations during the oral briefing, and the same information must be included in the briefing packet. When the family's unit is approved and the HAP contract is executed, the family must meet those obligations in order to continue participating in the program. Violation of any family obligation may result in termination of assistance, as described in Chapter 12.

Time Frames for Reporting Changes Required by Family Obligations

DCHA Policy

Unless otherwise noted below, when family obligations require the family to respond to a request or notify the PHA of a change, notifying DCHA of the request or change within 10 business days is considered prompt notice.

When a family is required to provide notice to DCHA, the notice must be in writing.

Family Obligations [24 CFR 982.551]

Following is a listing of a participant family's obligations under the HCV program:

ϒ The family must supply any information that DCHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.

ϒ The family must supply any information requested by DCHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.

ϒ The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.

ϒ Any information supplied by the family must be true and complete.

ϒ The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.

DCHA Policy

Damages beyond normal wear and tear will be considered to be damages which could be assessed against the security deposit.

The family must allow DCHA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.

The family must not commit any serious or repeated violation of the lease.

DCHA Policy

DCHA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction, or an owner's notice to evict.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criteria to be used is whether the reason for the eviction was through no fault of the tenant or guests.

The family must notify DCHA and the owner before moving out of the unit or terminating the lease.

DCHA Policy

The family must comply with lease requirements regarding written notice to the owner.

The family must provide written notice to DCHA at the same time the owner is notified.

The family must promptly give DCHA a copy of any owner eviction notice.

The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

The composition of the assisted family residing in the unit must be approved by DCHA.

The family must promptly notify the DCHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request DCHA approval to add any other family member as an occupant of the unit.

DCHA Policy

The request to add a family member must be submitted in writing and approved in writing prior to the person moving into the unit. DCHA will determine eligibility of the new member in accordance with the policies in Chapter 3.

The family must promptly notify DCHA in writing if any family member no longer lives in the unit.

If DCHA has given approval, a foster child or a live-in aide may reside in the unit. DCHA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when DCHA consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (Sections I.K and I.M), and Chapter 11 (Section II.B).

The family must not sublease the unit, assign the lease, or transfer the unit.

DCHA Policy

Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

The family must supply any information requested by DCHA to verify that the family is living in the unit or information related to family absence from the unit.

The family must promptly notify DCHA when the family is absent from the unit.

DCHA Policy

Notice is required under this provision only when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. Written notice must be provided to DCHA at the start of the extended absence.
The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].

The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).

Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).

Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and PHA policies related to drug-related and violent criminal activity.

Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and DCHA policies related to alcohol abuse.

An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.

A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless DCHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

PART II: SUBSIDY STANDARDS AND VOUCHER ISSUANCE
5-II.A. OVERVIEW

DCHA must establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. This part presents the policies that will be used to determine the family unit size (also known as the voucher size) a particular family should receive, and the policies that govern making exceptions to those standards. DCHA also must establish policies related to the issuance of the voucher, to the voucher term, and to any extensions or suspensions of that term.

5-II.B. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402]

For each family, DCHA determines the appropriate number of bedrooms under DCHA subsidy standards and enters the family unit size on the voucher that is issued to the family. The family unit size does not dictate the size of unit the family must actually lease, nor does it determine who within a household will share a bedroom/sleeping room.
The following requirements apply when DCHA determines family unit size:

The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.

The subsidy standards must be consistent with space requirements under the housing quality standards.

The subsidy standards must be applied consistently for all families of like size and composition.

A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size.

A family that consists of a pregnant woman (with no other persons) must be treated as a two person family.

Any live-in aide (approved by DCHA to reside in the unit to care for a family member who is disabled or is at least 50 years of age) must be counted in determining the family unit size;

Unless a live-in-aide resides with a family, the family unit size for any family consisting of a single person must be either a zero- or one-bedroom unit, as determined under DCHA subsidy standards.

DCHA Policy

Generally, DCHA assigns one bedroom to two people within the following guidelines:
A separate bedroom shall be allocated to the head of the household.

Separate bedrooms should be allocated for persons of the opposite sex other than adults who have a spousal relationship and children under 10.

Foster children will be included in determining unit size only if they will be in the unit for more than 12 months.

Live-in aides will be allocated a separate bedroom. No additional bedrooms are provided for the live in aides family.

Single person families will be allocated one bedroom.

DCHA will reference the following chart in determining the appropriate voucher size for a family:

Voucher Size Persons in Household
(Minimum – Maximum)

1 Bedroom 1-2
2 Bedrooms 2-4
3 Bedrooms 3-6
4 Bedrooms 4-8
5 Bedrooms 6-10

5-II.C. EXCEPTIONS TO SUBSIDY STANDARDS

In determining family unit size for a particular family, DCHA may grant an exception to its established subsidy standards if DCHA determines that the exception is justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances [24 CFR 982.402(b)(8)]. Reasons may include, but are not limited to:

A need for an additional bedroom for medical equipment

A need for a separate bedroom for reasons related to a family member's disability, medical or health condition

For a single person who is not elderly, disabled, or a remaining family member, an exception cannot override the regulatory limit of a zero or one bedroom [24 CFR 982.402(b)(8)].

DCHA Policy

DCHA will consider granting an exception for any of the reasons specified in the regulation: the age, sex, health, handicap, or relationship of family members or other personal circumstances.

The family must request any exception to the subsidy standards in writing. The request must explain the need or justification for a larger family unit size, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source, unless the disability and the disability–related request for accommodation is readily apparent or otherwise known.

DCHA will notify the family of its determination in writing,
. If a participant family's request is denied, the notice will inform the family of their right to request an informal hearing.

5-II.D. VOUCHER ISSUANCE [24 CFR 982.302]

When a family is selected from the waiting list (or as a special admission as described in Chapter 4), or when a participant family wants to move to another unit, DCHA issues a Housing Choice Voucher, form HUD-52646. This chapter deals only with voucher issuance for applicants. For voucher issuance associated with moves of program participants, please refer to Chapter 10.

The voucher is the family's authorization to search for housing. It specifies the unit size for which the family qualifies and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the family obligations under the program. The voucher is evidence that DCHA has determined the family to be eligible for the program, and that DCHA expects to have money available to subsidize the family if the family finds an approvable unit. However, DCHA does not have any liability to any party by the issuance of the voucher, and the voucher does not give the family any right to participate in DCHA's housing choice voucher program [Voucher, form HUD-52646]

A voucher can be issued to an applicant family only after DCHA has determined that the family is eligible for the program based on information received within the 60 days prior to issuance [24 CFR 982.201(e)] and after the family has attended an oral briefing [HCV 8-1].

DCHA Policy

Vouchers will be issued to eligible applicants immediately following the mandatory briefing. DCHA should have sufficient funds to house an applicant before issuing a voucher. If funds are insufficient to house the family at the top of the waiting list, DCHA must wait until it has adequate funds before it calls another family from the list [HCV GB p. 8-10]. If DCHA determines that there is insufficient funding after a voucher has been issued, DCHA may rescind the voucher and place the affected family back on the waiting list.

5-II.E. VOUCHER TERM, EXTENSIONS, AND SUSPENSIONS

Voucher Term [24 CFR 982.303]

The initial term of a voucher must be at least 120 calendar days. The initial term must be stated on the voucher [24 CFR 982.303(a)].

DCHA Policy

The initial voucher term will be 120 calendar days.
The family must submit a Request for Tenancy Approval and proposed lease within the 120-day period unless DCHA grants an extension.

Extensions of Voucher Term [24 CFR 982.303(b)]

DCHA has the authority to grant extensions of search time, to specify the length of an extension, and to determine the circumstances under which extensions will be granted. Extension requests are required to be submitted in writing and submitted to DCHA's HCV Specialist, HCV Senior Specialist, HCV Manager, or HCV Director prior to the voucher expiration date. No extensions will be granted after 180 days.

There is no limit on the number of extensions that DCHA can approve. Discretionary policies related to extension and expiration of search time must be described in DCHA's administrative plan [24 CFR 982.54].

DCHAs must approve additional search time if needed as reasonable accommodation to make the program accessible to and usable by a person with disabilities. The extension period must be reasonable for the purpose.

The family must be notified in writing of DCHA's decision to approve or deny an extension. DCHA's decision to deny a request for an extension of the voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

DCHA Policy

DCHA will approve additional extensions only in the following circumstances:
It is necessary as a reasonable accommodation for a person with disabilities.
It is necessary due to reasons beyond the family's control, as determined by DCHA. Following is a list of extenuating circumstances that DCHA may consider in making its decision. The presence of these circumstances does not guarantee that an extension will be granted:

Serious illness or death in the family
Other family emergency
Obstacles due to employment

Whether the family has already submitted requests for tenancy approval that were not approved

by DCHA

Whether family size or other special requirements make finding a unit difficult
Any request for an additional extension must include the reason(s) an additional extension is necessary. DCHA may require the family to provide documentation to support the request.

All requests for extensions to the voucher term must be made in writing and submitted to DCHA prior to the expiration date of the voucher (or extended term of the voucher). DCHA will decide whether to approve or deny an extension request within 10 business days of the date the request is received and will immediately provide the family written notice of its decision.

Suspensions of Voucher Term [24 CFR 982.303(c)]

DCHA must provide for suspension of the initial or any extended term of the voucher from the date the family submits a request for DCHA approval of the tenancy until the date DCHA notifies the family in writing whether the request has been approved or denied.

Expiration of Voucher Term

Once a family's housing choice voucher term (including any extensions) expires, the family is no longer eligible to search for housing under the program. If the family still wishes to receive assistance, DCHA will require that the family reapply. A family does not become ineligible for the program on the grounds that it was unable to locate a unit before the voucher expired [HCV GB p. 8-13].

DCHA Policy

If an applicant family's voucher term or extension expires before DCHA has submitted a Request for Tenancy Approval (RTA), DCHA will require the family to reapply for assistance. If the RTA is subsequently disapproved by DCHA (after the voucher term has expired), the family will be required to reapply for assistance.

Chapter 6

INCOME AND SUBSIDY DETERMINATIONS
[24 CFR Part 5, Subparts E and F; 24 CFR 982]
INTRODUCTION

A family's income determines eligibility for assistance and is also used to calculate the family's payment and DCHA's subsidy. DCHA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and DCHA policies related to these topics in three parts as follows:

ϒ Part I: Annual Income. HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and DCHA policies for calculating annual income are found in Part I.

ϒ Part II: Adjusted Income. Once annual income has been established HUD regulations require the PHA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and DCHA policies for calculating adjusted income are found in Part II.

ϒ Part III: Calculating Family Share and PHA Subsidy. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining DCHA subsidy and required family payment.

PART I: ANNUAL INCOME

6-I.A. OVERVIEW

The general regulatory definition of *annual income* shown below is from 24 CFR 5.609.
5.609 Annual income.
(a) Annual income means all amounts, monetary or not, which:
(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
(3) Which are not specifically excluded in paragraph [5.609(c)].
(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:
ϒ Annual Income Inclusions (Exhibit 6-1)
ϒ Annual Income Exclusions (Exhibit 6-2)
ϒ Treatment of Family Assets (Exhibit 6-3)

ϒ Earned Income Disallowance for Persons with Disabilities (Exhibit 6-4)
ϒ The Effect of Welfare Benefit Reduction (Exhibit 6-5)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purpose of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this plan, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.

6-I.B. HOUSEHOLD COMPOSITION AND INCOME

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

Summary of Income Included and Excluded by Person

Live-in aides Income from all sources is excluded [24 CFR 5.609(c)(5)].

Foster child or foster adult Income from all sources is excluded [24 CFR 5.609(c)(2)].

Head, spouse, or co-head other adult family members all sources of income not specifically excluded by the regulations are included.

Children under 18 years of age Employment income is excluded [24 CFR 5.609(c)(1)].
All other sources of income, except those specifically excluded by the regulations, are included.

Full-time students 18 years of age or older (not head, spouse, or co head)

Employment income above $480/year is excluded [24 CFR 5.609(c)(11)].

All other sources of income, except those specifically excluded by the regulations, are included.

Temporarily Absent Family Members
The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].

DCHA Policy

Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered

a family member. Generally, an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

DCHA Policy

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

Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403].

DCHA Policy

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

Absent Head, Spouse, or Co-head

DCHA Policy

An employed head, spouse, or co-head absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

Family Members Permanently Confined for Medical Reasons

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted.

DCHA Policy

DCHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.
When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or co-head qualifies as an elderly person or a person with

disabilities.

Joint Custody of Dependents

DCHA Policy

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

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them; DCHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

Caretakers for a Child

DCHA Policy

The approval of a caretaker is at the owner and DCHA's discretion and subject to the owner and DCHA's screening criteria. If neither a parent nor a designated guardian remains in a household receiving HCV assistance, DCHA will take the following actions:

(1) If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.

(2) If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases DCHA will extend the caretaker's status as an eligible visitor.

(3) At any time that custody or guardianship legally has been awarded to a caretaker, the housing choice voucher will be transferred to the caretaker.

(4) During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

6-I.C. ANTICIPATING ANNUAL INCOME

DCHA is required to count all income "anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date" [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.

Basis of Annual Income Projection
DCHA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes DCHA to use other than current circumstances to anticipate income when:
An imminent change in circumstances is expected [HCV GB, p. 5-17]

It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]

DCHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

DCHA Policy

Whenever possible, DCHA will use HUD's EIV system. When EIV is obtained and the family does not dispute the EIV employer data, DCHA will use current tenant-provided documents to project annual income. When the tenant provided documents are pay stubs within the last 60 days.

DCHA will obtain written and/or third-party verification in accordance with the verification requirements and policy in Chapter 7 in the following cases:

If EIV or other UIV data is not available.

If the family disputes the accuracy of the EIV employer data, and/or

If DCHA determines additional information is needed.

In such cases, DCHA will review and analyze current data to anticipate annual income. In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how DCHA annualized projected income.
When DCHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), DCHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.

Anytime current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to DCHA to show why the historic pattern does not

represent the family's anticipated income.

Known Changes in Income

If DCHA verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.

Example: An employer reports that a full-time employee who has been receiving $8/hour will begin to receive $8.25/hour in the eighth week after the effective date of the reexamination. In such a case DCHA would calculate annual income as follows: ($8/hour × 40 hours × 7 weeks) + ($8.25 × 40 hours × 45 weeks).

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases DCHA will calculate annual income using current circumstances and then require an interim reexamination when the change occurs. This requirement will be imposed even if DCHA's policy on reexamination does not require interim reexamination for other types of changes.

Projecting Income

In HUD's EIV webcast of January 2008, HUD made clear that PHAs are not to use EIV quarterly wages to project annual income.

6-I.D. EARNED INCOME

Types of Earned Income Included in Annual Income

Wages and Related Compensation. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income [24 CFR 5.609(b)(1)].

DCHA Policy

For people who regularly receive bonuses or commissions, DCHA will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, DCHA will use the prior year amounts. In either case the family may provide, and DCHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, DCHA will count only the amount estimated by the employer.

Some Types of Military Pay. All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].

Types of Earned Income Not Counted in Annual Income

Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)].

This type of income (including gifts) is not included in annual income. Sporadic income includes temporary payments from the U.S. Census Bureau for employment lasting no longer than 180 days [Notice PIH 2017-05].

DCHA POLICY:

Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed. Such income is not counted.

Children's Earnings. Employment income earned by children (including foster children) under the age of 18 years is not included in annual income [24 CFR 5.609(c)(1)]. (See Eligibility chapter for a definition of *foster children*.)

Certain Earned Income of Full-Time Students. Earnings in excess of $480 for each full-time student 18 years old or older (except for the head, spouse, or co-head) are not counted [24 CFR 5.609(c)(11)]. To be considered "full-time," a student must be considered "full-time" by an educational institution with a degree or certificate program [HCV GB, p. 5-29].

Income of a Live-in Aide. Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income [24 CFR 5.609(c)(5)]. (See Eligibility chapter for a full discussion of live-in aides.)

Income Earned under Certain Federal Programs. Income from some federal programs is specifically excluded from consideration as income [24 CFR 5.609(c)(17)], including:

Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)

Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))

Awards under the federal work-study program (20 U.S.C. 1087 uu)
Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))

Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))

Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

Resident Service Stipend. Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed $200 per individual per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of DCHA's governing board. No resident may receive more than one such stipend during the same period of time [24 CFR 5.600(c)(8)(iv)].

State and Local Employment Training Programs. Incremental earnings and benefits to any family member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program [24 CFR 5.609(c)(8)(v)].

DCHA Policy

DCHA defines *training program* as "a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period to time. It is designed to lead to a higher level of proficiency, and it enhances the individual's ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education" [expired Notice PIH 98-2, p. 3].

DCHA defines *incremental earnings and benefits* as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4]. In calculating the incremental difference, DCHA will use as the pre-enrollment income the total annualized amount of the family member's welfare assistance and earnings reported on the family's most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with DCHA's interim reporting requirements.

HUD-Funded Training Programs. Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and

modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.

DCHA Policy

To qualify as a training program, the program must meet the definition of *training program* provided above for state and local employment training programs.

Earned Income Tax Credit. Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c)(17)]. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee's payroll check.

Earned Income Disallowance. The earned income disallowance for persons with disabilities is discussed in section 6-I.E below.

6-I.E. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES [24 CFR 5.617]

The earned income disallowance (EID) encourages people with disabilities to enter the work force by not including the full value of increases in earned income for a period of time. The full text of 24 CFR 5.617 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.

Eligibility

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

Employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.

Increased earnings by a family member who is a person with disabilities and whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].

New employment or increased earnings by a family member who is a person with disabilities and who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least $500.

Calculation of the Disallowance

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "baseline income." The family member's baseline income is his or her income immediately prior to qualifying for the EID. The family member's baseline income remains constant throughout the period that he or she is participating in the EID. While qualification for the disallowance is the same for all families, calculation of the disallowance will differ depending on when the family member qualified for the EID. Participants qualifying prior to May 9, 2016, will have the disallowance calculated under the "Original Calculation Method" described below which requires a maximum lifetime disallowance period of up to 48 consecutive months. Participants qualifying on or after May 9, 2016, will be subject to the "Revised Calculation Method" Which shortens the lifetime disallowance period to 24 consecutive months.

Under both the original and new methods, the EID eligibility criteria, the benefit amount, the single lifetime eligibility requirement and the ability of the applicable family member to stop and restart employment during the eligibility period are the same.

Original Calculation Method

Initial 12-Month Exclusion

During the initial 12-month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The 12 months are cumulative and need not be consecutive.

DCHA POLICY:

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

Second 12-Month Exclusion and Phase-In

During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and need not be consecutive.

Lifetime Limitation

The EID has a four-year (48-month) lifetime maximum. The four-year eligibility period begins at the same time that the initial exclusion period begins and ends 48 months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance.

DCHA Policy

During the 48-month eligibility period, DCHA will schedule and conduct an interim reexamination each time there is a change in the family member's annual income that affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).

Revised Calculation Method

Initial 12-Month Exclusion

During the initial exclusion period of 12 consecutive months, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded.

DCHA Policy

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

Second 12-Month Exclusion

During the second exclusion period of 12 consecutive months, the PHA must exclude at least 50 percent of any increase in income attributable to employment or increased earnings.

DCHA Policy

During the second 12-month exclusion period, DCHA will exclude 100 percent of any increase in income attributable to new employment or increased earnings.

Lifetime Limitation

The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. During the 24-

month period, an individual remains eligible for EID even if they begin to receive assistance from a different housing agency, move between public housing and Section 8 assistance, or have breaks in assistance.

6-I.F. BUSINESS INCOME [24 CFR 5.609(b)(2)]

Annual income includes "the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family" [24 CFR 5.609(b)(2)].

Business Expenses

Net income is "gross income less business expense" [HCV GB, p. 5-19].

DCHA Policy

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

Business Expansion

HUD regulations do not permit DCHA to deduct from gross income expenses for business expansion.

DCHA Policy

Business expansion is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

Capital Indebtedness

HUD regulations do not permit DCHA to deduct from gross income the amortization of capital indebtedness.

DCHA Policy

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

Negative Business Income

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

Withdrawal of Cash or Assets from a Business

HUD regulations require DCHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

DCHA Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of $2,000 to help a business get started, DCHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

Co-owned Businesses

DCHA Policy

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

6-I.G. ASSETS AND INCOME FROM ASSETS

Overview

HOTMA establishes requirements governing the treatment of family assets, income derived from assets, and limitations on net family assets. DCHA will administer these requirements in accordance with 24 CFR §§ 5.603, 5.609, and 5.618, applicable HUD notices and guidance, and the HUD-published annual inflationary adjustments.

The asset limitation applicable to Public Housing and Housing Choice Voucher programs is established by 24 CFR § 5.618 and is adjusted annually by HUD. DCHA will use the HUD-published inflation-adjusted

amount in effect at the time of the applicable income examination. For calendar year 2026, the asset limitation is $100,000.

This section describes how DCHA will:

- determine whether an asset is included or excluded from net family assets;
- determine the value of included assets;
- determine actual income from assets;
- determine when imputed income from assets must be calculated;
- apply the HUD-established passbook savings rate when imputed asset income is required;
- determine whether a family is subject to the HOTMA net-family-asset limitation; and
- administer other HOTMA requirements concerning assets.

Net Family Assets

For purposes of determining eligibility and annual income, DCHA will calculate net family assets in accordance with the definition at 24 CFR § 5.603 and applicable HUD guidance.

Net family assets generally include the cash value of all assets owned by all members of the family, except assets specifically excluded by regulation.

The cash value of an asset is the market value of the asset minus reasonable costs that would be incurred in converting the asset to cash.

DCHA will not include assets specifically excluded from the definition of net family assets under 24 CFR § 5.603.

Asset Limitation

In accordance with 24 CFR § 5.618, a family is not eligible for admission to, or continued assistance under, a covered HUD program if the family has net family assets exceeding the HUD-established asset limitation, subject to the regulatory exceptions.

The asset limitation is adjusted annually by HUD. DCHA will apply the amount published by HUD for the calendar year in which the determination is made.

DCHA will apply all applicable exceptions to the asset limitation provided by 24 CFR § 5.618.

General Policies

Income From Assets

Annual income includes income from net family assets as provided by 24 CFR § 5.609.

When determining income from assets, DCHA will distinguish between:

1. actual income that can be calculated from an asset; and
2. imputed income that must be calculated when the regulatory conditions for imputed asset income are met.

When net family assets do not exceed the HUD-established threshold, DCHA will not calculate imputed income from assets.

For calendar year 2026, the threshold for calculating imputed income from assets is $52,787.

When net family assets exceed the HUD-established threshold, DCHA will include:

- actual income from each asset for which actual income can be calculated; and
- imputed income for an asset only when the actual income from that specific asset cannot be calculated.

DCHA will not calculate imputed income for an asset when the actual income from that asset can be calculated, even when the actual income is zero.

DCHA will use the HUD-published passbook savings rate when imputed income is required.

Valuing Assets

DCHA will determine the cash value of an asset in accordance with 24 CFR § 5.603.

Cash value means the market value of the asset less reasonable costs that would be incurred in disposing of or converting the asset to cash.

Reasonable costs may include, as applicable:

- penalties for premature withdrawal;
- broker fees;
- legal fees;
- settlement costs;
- other customary and reasonable costs associated with converting the asset to cash.

DCHA will use reliable documentation and verification procedures consistent with HUD requirements to determine the value of assets.

Actual Income From Assets

When actual income from an asset can be calculated, DCHA will use the actual income attributable to that asset.

Examples of actual income from assets include:

- interest earned on bank accounts;
- dividends from investments;

- interest received from a mortgage or other note;
- rental income from real property; and
- other income actually generated by an asset.

Actual income may be zero. An asset that generates zero actual income is not treated as an asset for which actual income cannot be calculated.

Imputed Income From Assets

When the family's net family assets exceed the HUD-established threshold and actual income cannot be calculated for a particular included asset, DCHA will calculate imputed income for that asset.

Imputed income will be calculated by multiplying the cash value of the asset by the HUD-published passbook savings rate.

DCHA will combine:

1. actual income from assets for which actual income can be calculated; and
2. imputed income from assets for which actual income cannot be calculated.

DCHA will not apply the former "greater of actual or imputed income" methodology.

Determining Actual Anticipated Income From Assets

DCHA will determine anticipated asset income in accordance with the applicable HOTMA income-review requirements.

For an asset that produces a known rate of return, DCHA may determine anticipated income using the verified value of the asset and the applicable rate of return.

For assets for which actual income can be determined from historical or other reliable information, DCHA will use the amount that can reasonably be anticipated to be received during the applicable income period.

When actual income cannot be calculated for an included asset and the family's net family assets exceed the applicable HUD threshold, DCHA will calculate imputed income using the HUD-published passbook savings rate.

Lump-Sum Receipts

A lump-sum receipt may be treated as income or as an asset depending on the nature of the payment and the applicable requirements of 24 CFR § 5.609.

DCHA will determine the treatment of lump-sum receipts in accordance with the regulatory definition of annual income and applicable HUD guidance.

A lump-sum receipt that is excluded from annual income may nevertheless become an asset if the funds are retained by the family in a form recognized as an asset.

DCHA will not treat a lump-sum receipt as an asset when the applicable HUD regulations require the receipt to be treated as income.

Jointly Owned Assets

When an asset is jointly owned, DCHA will determine the family's ownership interest and access to the asset in accordance with 24 CFR § 5.603 and applicable HUD guidance.

DCHA will consider the portion of the asset that is legally owned by, or available to, the family.

If ownership percentages are established by legal documentation, DCHA will use the documented ownership percentage.

If ownership percentages are not specified, DCHA will determine the family's ownership interest based on applicable law and available documentation.

DCHA will not automatically count the entire value of a jointly owned asset solely because a family member is one of the owners.

Assets Disposed of for Less Than Fair Market Value

In accordance with 24 CFR § 5.603, DCHA will consider assets disposed of for less than fair market value when determining net family assets, subject to applicable regulatory exclusions and limitations.

The value attributed to an asset disposed of for less than fair market value will be determined in accordance with HUD requirements.

The applicable period for consideration of such dispositions is two years from the date of disposition.

DCHA will apply the regulatory treatment of dispositions that occur as a result of:

- foreclosure;
- bankruptcy;
- divorce or separation;
- other circumstances specifically recognized by HUD regulations.

DCHA will not require a family to report or repay amounts that are outside the applicable regulatory period.

Minimum Threshold for Assets Disposed of for Less Than Fair Market Value

DCHA will apply the regulatory minimum threshold established under 24 CFR § 5.603 when determining whether an asset disposed of for less than fair market value must be included.

DCHA will not apply an independent threshold that conflicts with the amount or methodology established by HUD.

Divorce or Separation

An asset disposed of as part of a divorce or separation settlement will be treated in accordance with 24 CFR § 5.603 and applicable HUD guidance.

DCHA will consider whether the family member received adequate consideration, including consideration that may not be measurable in monetary terms, as permitted by the regulation.

Foreclosure or Bankruptcy

DCHA will not treat an asset as having been disposed of for less than fair market value when the disposition qualifies for the applicable regulatory exception for foreclosure or bankruptcy.

Family Certification

DCHA may require families to certify information concerning assets and assets disposed of for less than fair market value when permitted by HUD regulations.

Any self-certification permitted by HUD will be subject to DCHA's verification procedures and applicable regulatory requirements.

Types of Assets

Checking and Savings Accounts

Checking and savings accounts are assets when included under 24 CFR § 5.603.

DCHA will use the verified balance or other reliable documentation required under HUD verification standards to determine the value of the account.

Actual income from an interest-bearing account will be included when actual income can be calculated.

If an account earns no interest or other income, its actual income may be zero.

When the account is included in net family assets and actual income cannot be calculated, DCHA will apply the HOTMA imputed-income requirements when the family's net family assets exceed the applicable HUD threshold.

DCHA will not automatically use an historical six-month average balance unless such methodology is consistent with applicable HUD requirements and DCHA's approved verification procedures.

Investment Accounts

Investment accounts, including stocks, bonds, certificates of deposit, mutual funds, money market accounts, and similar financial investments, will be treated in accordance with 24 CFR § 5.603.

DCHA will determine the cash value of the investment using reliable documentation and will deduct reasonable costs of converting the asset to cash when applicable.

Actual income, including interest and dividends, will be included when actual income can be calculated.

When actual income cannot be calculated for an included investment and the family's net family assets exceed the applicable HUD threshold, DCHA will calculate imputed income using the HUD-published passbook savings rate.

Equity in Real Property and Other Capital Investments

DCHA will determine the cash value of real property and other capital investments in accordance with 24 CFR § 5.603.

Generally, cash value will be determined by subtracting:

- outstanding debt secured by the property; and
- reasonable costs that would be incurred to dispose of the property

from the property's market value.

DCHA will apply all regulatory exclusions applicable to real property and other capital investments.

Excluded assets may include, as applicable:

- property that is specifically excluded under 24 CFR § 5.603;
- certain property necessary for the family's self-sufficiency;
- certain business or farming assets;
- interests in Indian trust lands;
- assets specifically excluded by federal law or HUD regulation; and
- other assets identified by HUD as excluded from net family assets.

Real Property Ownership

DCHA will determine whether a family is subject to the HOTMA real-property and asset limitations in accordance with 24 CFR §§ 5.603 and 5.618.

When a family owns real property, DCHA will consider the property's market value, applicable debt, reasonable disposition costs, the family's ownership interest, and whether a regulatory exclusion applies.

When real property produces income, DCHA will include actual income that can be calculated from the property.

When an included property does not produce income and actual income cannot be calculated, DCHA will apply the HOTMA imputed-income requirements when the family's net family assets exceed the applicable HUD threshold.

Trusts

DCHA will determine whether a trust is an asset in accordance with 24 CFR § 5.603 and applicable HUD guidance.

The treatment of a trust will depend on whether the trust is revocable, who controls the trust, whether a family member has access to the principal, and whether the trust is otherwise excluded under the regulation.

When a family member has the right or ability to access trust principal, the trust will generally be treated as an asset to the extent required by HUD regulations.

When the trust is irrevocable and the family does not have access to the principal, the trust principal will generally not be included as a family asset, subject to the specific requirements and exceptions contained in 24 CFR § 5.603.

Income distributed from a trust will be treated in accordance with the applicable annual-income provisions.

Retirement Accounts

DCHA will treat retirement accounts in accordance with 24 CFR § 5.603 and applicable HUD guidance.

The treatment of a retirement account will depend on the type of account and whether the funds are accessible to the family member.

DCHA will not automatically treat every retirement account as an included asset merely because the account has a balance.

DCHA will determine whether the account or portion of the account is included under the applicable regulatory provisions.

Amounts received from retirement accounts may be treated as periodic payments, lump-sum receipts, or other income as required by 24 CFR § 5.609.

Personal Property

Personal property will be treated in accordance with the definition of net family assets at 24 CFR § 5.603.

Necessary personal property is excluded from net family assets.

Examples of necessary personal property may include:

- clothing;
- furniture;
- household furnishings;
- vehicles necessary for the family's day-to-day transportation;
- personal property necessary because of a disability; and
- other personal property that qualifies as necessary under HUD requirements.

Non-necessary personal property may be included in net family assets when its aggregate value exceeds the HUD-established threshold.

For calendar year 2026, the threshold for inclusion of non-necessary personal property is $52,787.

Personal property held as an investment may be included in net family assets, subject to the applicable regulatory requirements.

DCHA will determine the value of non-necessary personal property using reliable documentation and verification procedures.

Life Insurance

The treatment of life insurance will depend on the type of policy and whether the policy has cash value available to the family.

The cash value of a life insurance policy that is included under 24 CFR § 5.603 will be treated as an asset.

Actual income generated by an included life insurance policy will be included in annual income when actual income can be calculated.

When actual income cannot be calculated and the family's net family assets exceed the applicable HUD threshold, DCHA will apply the HOTMA imputed-income requirements.

6-I.H. PERIODIC PAYMENTS

Overview

Periodic payments are payments received on a regular basis.

DCHA will determine whether periodic payments are included in annual income in accordance with 24 CFR § 5.609 and applicable HUD guidance.

Periodic Payments Included in Annual Income

Periodic payments that are included in annual income may include, as applicable:

- Social Security benefits;
- Supplemental Security Income (SSI);
- unemployment compensation;
- welfare assistance;
- annuities;
- pensions;
- retirement benefits;
- insurance payments; and

- other periodic payments identified by 24 CFR § 5.609.

DCHA will apply the specific exclusions contained in the regulation.

Lump-Sum Payments Related to Periodic Payments

DCHA will determine the treatment of a lump-sum payment based on the nature of the payment and the requirements of 24 CFR § 5.609.

Lump-sum payments resulting from delayed receipt of certain periodic payments will be treated in accordance with the specific regulatory provisions applicable to the payment.

Social Security and SSI Overpayment Withholding

When the Social Security Administration reduces a family's benefit because of an overpayment, DCHA will determine annual income using the benefit amount after the applicable overpayment withholding, consistent with HUD requirements and applicable HUD guidance.

DCHA will not count the amount withheld solely to recover a prior overpayment as income received by the family.

Periodic Payments Excluded From Annual Income

DCHA will exclude payments specifically excluded from annual income under 24 CFR § 5.609.

These may include, as applicable:

- payments received for the care of foster children or foster adults;
- certain state payments made to families caring for a person with a developmental disability;
- Low Income Home Energy Assistance Program (LIHEAP) payments;
- qualifying payments under the Child Care and Development Block Grant Act;
- Earned Income Tax Credit (EITC) refunds;
- qualifying lump-sum Social Security or SSI payments resulting from delayed processing; and
- other payments specifically excluded by federal law or HUD regulation.

DCHA will apply the regulatory definitions and limitations applicable to each exclusion.

6-I.I. PAYMENTS IN LIEU OF EARNINGS

Payments in lieu of earnings, including unemployment compensation, disability compensation, workers' compensation, and severance pay, will be treated in accordance with 24 CFR § 5.609.

DCHA will determine whether the payment is included as annual income or treated as a lump-sum receipt based on the nature and timing of the payment and applicable HUD requirements.

6-I.J. WELFARE ASSISTANCE

Overview

Welfare assistance is treated as annual income in accordance with 24 CFR §§ 5.603 and 5.609, subject to applicable exclusions.

Welfare assistance includes TANF and other payments to individuals or families based on need that are provided under programs funded in whole or in part by federal, state, or local governments, as defined by HUD regulations.

Sanctions Resulting in Reduction of Welfare Benefits

DCHA will comply with the requirements of 24 CFR § 5.615 when a welfare agency imposes a sanction that results in a reduction of welfare benefits under the circumstances covered by the regulation.

Covered Families

The requirements of 24 CFR § 5.615 apply to families receiving welfare assistance or other public assistance benefits from a state or other public agency under a program that requires participation in an economic self-sufficiency program as a condition of receiving assistance, as specified in the regulation.

Imputed Welfare Income

When a welfare agency imposes a sanction covered by 24 CFR § 5.615, DCHA will determine whether imputed welfare income must be included in annual income.

When required, imputed welfare income will generally equal the amount of welfare assistance the family would have received absent the sanction, subject to the limitations and requirements of the regulation.

DCHA will request information from the applicable welfare agency when necessary to make the required determination.

Offsets

DCHA will apply the offset provisions of 24 CFR § 5.615 when a family begins receiving additional income following a welfare sanction.

The imputed welfare income will be reduced in accordance with the regulatory requirements when the family receives additional income that qualifies for an offset.

6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES

Annual income includes periodic and determinable allowances and regular contributions or gifts received from persons not residing with the assisted family, except when specifically excluded by 24 CFR § 5.609.

Alimony and Child Support

DCHA will determine whether alimony and child support payments are included in annual income in accordance with 24 CFR § 5.609.

When a court-awarded amount is not being received, DCHA will apply the regulatory requirements concerning amounts that are not actually received.

DCHA will consider whether the family has made reasonable efforts to collect amounts due when required by HUD regulations.

A family will not be required to obtain a court award or take legal action solely for purposes of establishing eligibility for an exclusion unless such action is otherwise required by applicable federal law or regulation.

Regular Contributions or Gifts

Regular contributions or gifts from persons who do not reside with the assisted family are included in annual income unless specifically excluded by 24 CFR § 5.609.

Regular contributions may include recurring monetary payments made on behalf of the family or recurring assistance that can reasonably be assigned a monetary value.

Temporary, nonrecurring, or sporadic income and gifts are excluded in accordance with 24 CFR § 5.609.

DCHA will determine the value of recurring non-monetary contributions using a reasonable and documented methodology consistent with HUD requirements.

DCHA will not automatically treat occasional assistance, gifts, or nonrecurring support as annual income when the payment qualifies for the applicable regulatory exclusion.

6-I.L. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)

In 2005, Congress passed a law (for Section 8 Programs only) requiring that certain student financial assistance be included in annual income. Prior to that, the full amount of student financial assistance was excluded. For some student, the full exclusion still applies.

Student Financial Assistance **Included** in Annual Income [24CFR5.609(b)(9) and FR 4-10-06] PIH 2015-12

The regulation requiring the inclusion of certain student financial assistance applies only to student who satisfy all of the following conditions:

- They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965
- They are seeking or receiving Section 8 assistance on their own – that is, apart from their parent – through the HCV program, the project based voucher program or the moderate rehabilitation program.
- They are under 24 years of age OR they have no dependent children.

For students who satisfy these three conditions, any financial assistance in excess of tuition received: (1) under the 1965 HEA, (2) from a private source, or (3) from an institution of higher education, as defined under the 1965 HEA, must be included in annual income.

To determine annual income in accordance with the above requirements, DCHA will use the definition of dependent child, institution of higher education, and parents in Section 3-II.E, along with the following definition [FR 4-10-06, pp. 18148-18150]:

- Assistance under the Higher Education Act of 1965 includes Pell Grants, Federal Supplement Education Opportunity Grants, Academic Achievement Incentive Scholarships, State Assistance under the Leveraging Education Assistance Partnership Program, The Robert G. Byrd Honors Scholarship Program, and Federal Work Study programs.
- Assistance from private sources means assistance from nongovernmental sources, including parents, guardians, and other persons not residing with the student in an HCV assisted unit.

**Tuition and fees* are defined in the same manner in which the Department of Education defines *tuition and fees* [Notice PIH 2015-21].

- This is the amount of tuition and required fees covering a full academic year most frequently charged to students.

- The amount represents what a typical student would be charged and may not be the same for all students at an institution.

- If tuition is charged on a per-credit-hour basis, the average full-time credit hour load for an academic year is used to estimate average tuition.

- Required fees include all fixed-sum charges that are required of a large proportion of all students. Examples include, but are not limited to, writing and science lab fees and fees specific to the student's major or program (i.e., nursing program).

- Expenses related to attending an institution of higher education must **not** be included as tuition. Examples include, but are not limited to, room and board, books, supplies, meal plans, transportation and parking, student health insurance plans, and other non-fixed sum

Student Financial Assistance **Excluded** from Annual Income [24CFR 5.609(c)(6)]

Any student financial assistance not subject to inclusion under 24 CFR 5.609 (b)(9) is fully excluded from annual income under 24 CFR 5.609 (c)(6), whether it is paid directly to the student or to the educational institution the student is attending. This includes any financial assistance received by:

- Students residing with parent who are seeking or receiving Housing Choice Voucher Assistance.
- Students who are enrolled in an educational institution that does not meet the 1965 HEA definition of institution of higher education
- Students who are over 23 and have at least one dependent child
- Student who are receiving financial assistance through governmental program not authorized under the 1965 HEA.

6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

Other exclusions contained in 24 CFR 5.609(c) and updated by FR Notice 5/20/14 that have not been discussed earlier in this chapter include the following:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]

- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
- Adoption assistance payments in excess of $480 per adopted child [24 CFR 5.609(c)(12)]
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17), FR Notice 5/20/14]. HUD publishes an updated list of these exclusions periodically. It includes:
  - (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
  - (b) Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC
  - (c) Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
  - (d) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
  - (e) Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
  - (f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))
  - (g) Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
  - (h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts
  - (i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
  - (j) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
  - (k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al.* v. *Ken Salazar et al.,* for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010
  - (l) The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)
  - (m) Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)
  - (n) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
  - (o) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent Orange* product liability litigation, M.D.L. No. 381 (E.D.N.Y.)

(p) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spinal bifida
(q) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
(r) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
(s) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
(t) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)
(u) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965j, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, the exception found in § 237 of Public Law 109–249 applies and requires that the amount of financial assistance in excess of tuition and mandatory fees shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E) (Pub. L. 109–249) (See Section 6-I.L. for exceptions.)
(v) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
(w) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)
(x) Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002
(y) Payments made from the proceeds of Indian tribal trust cases as described in Notice PIH 2013–30, "Exclusion from Income of Payments under Recent Tribal Trust Settlements" (25 U.S.C. 117b(a))
(z) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations
(aa) Distributions from an ABLE account, and actual or imputed interest on the ABLE account balance

PART II: ADJUSTED INCOME

6-II.A. INTRODUCTION

Overview

HUD regulations require DCHA to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity [DCHA] must deduct the following amounts from annual income:
(1) $480 for each dependent;
(2) $400 for any elderly family or disabled family;
(3) The sum of the following, to the extent the sum exceeds three percent of annual income:
(i) Un reimbursed medical expenses of any elderly family or disabled family;
(ii) Un reimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
(4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.
This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

Anticipating Expenses

DCHA Policy

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

If a family has an accumulated debt for medical or disability assistance expenses, DCHA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. DCHA may require the family to provide documentation of payments made in the preceding year.

6-II.B. DEPENDENT DEDUCTION

A deduction of $480 is taken for each dependent [24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or co head who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of $400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An *elderly family* is a family whose head, spouse, co-head, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, co-head, or sole member is a person with disabilities [24 CFR 5.403].

6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.
The medical expense deduction is permitted only for families in which the head, spouse, or co head is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted.

Definition of *Medical Expenses*
HUD regulations define *medical expenses* at 24 CFR 5.603(b) to mean "medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance."

DCHA Policy

The most current IRS Publication 502, *Medical and Dental Expenses,* will be used to determine the costs that qualify as medical expenses.

Summary of Allowable Medical Expenses from IRS Publication 502
Services of medical professionals
Surgery and medical procedures that are necessary, legal, non-cosmetic
Services of medical facilities
Hospitalization, long-term care, and in-home nursing services
Prescription medicines and insulin, but not nonprescription medicines even if recommended by a doctor
Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)
Substance abuse treatment programs
Psychiatric treatment
Ambulance services and some costs of transportation related to medical expenses

The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)
Cost and continuing care of necessary service animals
Medical insurance premiums or the cost of a health maintenance organization (HMO)

Note: This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.

Families That Qualify for Both Medical and Disability Assistance Expenses

DCHA Policy

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

6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they:

(1) are necessary to enable a family member 18 years or older to work,
(2) are not paid to a family member or reimbursed by an outside source,
(3) in combination with any medical expenses, exceed three percent of annual income, and
(4) do not exceed the earned income received by the family member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)]. The disability expense deduction is capped by the amount of "earned income received by family members who are 18 years of age or older and who are able to work" because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

DCHA Policy

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family's request, DCHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family

members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work. When DCHA determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members' incomes.

Eligible Disability Expenses

Examples of auxiliary apparatus are provided in the *HCV Guidebook* as follows: "Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work" [HCV GB, p. 5-30]. HUD advises DCHA to further define and describe auxiliary apparatus [VG, p. 30].

Eligible Auxiliary Apparatus

DCHA Policy

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

Eligible Attendant Care

The family determines the type of attendant care that is appropriate for the person with disabilities.

DCHA Policy

Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities. Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible. If the care attendant also provides other services to the family, DCHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Payments to Family Members

No disability assistance expenses may be deducted for payments to a member of an assisted family [24 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

Necessary and Reasonable Expenses

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

DCHA Policy

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

Families That Qualify for Both Medical and Disability Assistance Expenses

DCHA Policy

This policy applies only to families in which the head or spouse is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, DCHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-II.F. CHILD CARE EXPENSE DEDUCTION

HUD defines *child care expenses* at 24 CFR 5.603(b) as "amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income."

Clarifying the Meaning of *Child* for This Deduction

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household [VG, p. 26]. However, child care expenses for

foster children that are living in the assisted family's household, are included when determining the family's child care expenses [HCV GB, p. 5-29].

Qualifying for the Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

DCHA Policy

The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* in this section means any of the activities that may make the family eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the family's request, DCHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

DCHA Policy

If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the child care expense being allowed by DCHA.

Furthering Education

DCHA Policy

If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the child care claimed.

Being Gainfully Employed

DCHA Policy

If the child care expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that child care is being provided. Gainful employment is any legal work activity

(full- or part-time) for which a family member is compensated.

Earned Income Limit on Child Care Expense Deduction

When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by "the amount of employment income that is included in annual income" [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied. When the person who is enabled to work is a person with disabilities who receives the earned income disallowance (EID) or a full-time student whose earned income above $480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes $15,000 but because of the EID only $5,000 is included in annual income, child care expenses are limited to $5,000. DCHA must not limit the deduction to the least expensive type of child care. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working.

DCHA Policy

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

Eligible Child Care Expenses

The type of care to be provided is determined by the assisted family. DCHA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care.

Allowable Child Care Activities

DCHA Policy

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

The costs of general housekeeping and personal services are not eligible. Likewise, child care expenses paid to a family member who lives in the family's unit are not eligible;

however, payments for child care to relatives who do not live in the unit are eligible.
If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for consideration, DCHA will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Necessary and Reasonable Costs

Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

DCHA Policy

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

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

PART III: CALCULATING FAMILY SHARE AND PHA SUBSIDY
6-III.A. OVERVIEW OF RENT AND SUBSIDY CALCULATIONS
TTP Formula [24 CFR 5.628]

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. TTP is the highest of the following amounts, rounded to the nearest dollar:
30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
The welfare rent (in as-paid states only)
A minimum rent between $0 and $50 that is established by DCHA
DCHA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B.
The amount that a family pays for rent and utilities (the family share) will never be less than the family's TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

Welfare Rent [24 CFR 5.628]

DCHA Policy

Welfare rent does not apply in this locality.

Minimum Rent [24 CFR 5.630]

DCHA Policy

The minimum rent for this locality is $50.

Family Share [24 CFR 982.305(a)(5)]

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds DCHA's applicable payment standard: (1) the family will pay more than the TTP, and (2) at initial occupancy DCHA may not approve the tenancy if it would require the family share to exceed 40 percent of the family's monthly adjusted income. The income used for this determination must have been verified no earlier than 60 days before the family's voucher was issued. (For a discussion of the application of payment standards, see section 6-III.C.)

DCHA Subsidy [24 CFR 982.505(b)]

DCHA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of (1) the applicable payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP. (For a discussion of the application of payment standards, see section 6-III.C.)

Utility Reimbursement [24 CFR 982.514(b)]

When DCHA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. HUD permits the DCHA to pay the reimbursement to the family or directly to the utility provider.

DCHA Policy

Generally, DCHA will make utility reimbursements to the family; however, DCHA may choose to pay the utility reimbursement directly to the utility provider.

6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]

Overview

If DCHA establishes a minimum rent greater than zero, DCHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship. The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If DCHA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

HUD-Defined Financial Hardship

Financial hardship includes the following situations:
The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

DCHA Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent. For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances. (2) The family would be evicted because it is unable to pay the minimum rent.

DCHA Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.
(3) Family income has decreased because of changed family circumstances, including the loss of employment. (4) A death has occurred in the family.

DCHA Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income). (5) The family has experienced other circumstances determined by DCHA.

DCHA Policy

DCHA has not established any additional hardship criteria.

Implementation of Hardship Exemption

Determination of Hardship

When a family requests a financial hardship exemption, DCHA must suspend the minimum rent requirement beginning the first of the month following the family's request. DCHA then determines whether the financial hardship exists and whether the hardship is temporary (expected to last 90 days or less) or long-term.
When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

Example: Impact of Minimum Rent Exemption
Assume DCHA has established a minimum rent of $35.

Family Share – No Hardship Family Share – With Hardship
$0
$15
N/A
$35
30% of monthly adjusted income
10% of monthly gross income
Welfare rent
Minimum rent
$0
$15
N/A
$35
30% of monthly adjusted income
10% of monthly gross income
Welfare rent
Minimum rent
Minimum rent applies.
TTP = $35
Hardship exemption granted.
TTP = $15

DCHA Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the

hardship has affected the family's ability to pay the minimum rent.
DCHA will make the determination of hardship within 30 calendar days.

No Financial Hardship

If DCHA determines there is no financial hardship, DCHA will reinstate the minimum rent and require the family to repay the amounts suspended.

DCHA Policy

DCHA will require the family to repay the suspended amount within 30 calendar days of DCHA's notice that a hardship exemption has not been granted.

Temporary Hardship

If DCHA determines that a qualifying financial hardship is temporary, DCHA must suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.
At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay the PHA the amounts suspended. HUD requires DCHA to offer a reasonable repayment agreement, on terms and conditions established by DCHA. DCHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

DCHA Policy

DCHA will enter into a repayment agreement in accordance with the procedures found in Chapter 16 of this plan.

Long-Term Hardship

If DCHA determines that the financial hardship is long-term, DCHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

DCHA Policy

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

(1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.

(2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a $60/month child support payment, the hardship will continue to exist until the family receives at least $60/month in income from another source or once again begins to receive the child support.

(3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

6-III.C. APPLYING PAYMENT STANDARDS [24 CFR 982.505; 982.503(b)

Overview

DCHA's schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of DCHA's payment standards. The establishment and revision of DCHA's payment standard schedule are covered in Chapter 16. *Payment standard* is defined as "the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)" [24 CFR 982.4(b)]. The payment standard for a family is the lower of (1) the payment standard for the family unit size which is defined as the appropriate number of bedrooms for the family under DCHA's subsidy standards [24 CFR 982.4(b)], or (2) the payment standard for the size of the dwelling unit rented by the family. If DCHA has established an exception payment standard for a designated part of an FMR area and a family's unit is located in the exception area, DCHA must use the appropriate payment standard for the exception area. DCHA is required to pay a monthly housing assistance payment (HAP) for a family that is the lower of (1) the payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP. If during the term of the HAP contract for a family's unit, the owner lowers the rent, the PHA will recalculate the HAP using the lower of the initial payment standard or the gross rent for the unit

Changes in Payment Standards

When DCHA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations. Payment standards are based on HUD's Small Area Fair Market Rent.

Decreases

If the amount on the payment standard schedule is decreased during the term of the HAP contract, the lower payment standard generally will be used beginning at the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard. DCHA will determine the payment standard for the family as follows:

Step 1: At the first regular reexamination following the decrease in the payment standard, DCHA will determine the payment standard for the family using the lower of the payment standard for the family unit size or the size of the dwelling unit rented by the family.

Step 2: DCHA will compare the payment standard from step 1 to the payment standard last used to calculate the monthly housing assistance payment for the family. The payment standard used by DCHA at the first regular reexamination following the decrease in the payment standard will

be the higher of these two payment standards. DCHA will advise the family that the application

of the lower payment standard will be deferred until the second regular reexamination following the effective date of the decrease in the payment standard.

Step 3: At the second regular reexamination following the decrease in the payment standard, the lower payment standard will be used to calculate the monthly housing assistance payment for the family unless DCHA has subsequently increased the payment standard, in which case the payment standard will be determined in accordance with procedures for increases in payment standards described below.

Increases

If the payment standard is increased during the term of the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family beginning on the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard. Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next annual reexamination

Changes in Family Unit Size

Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size.

Reasonable Accommodation
If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, DCHA is allowed to establish a higher payment standard for the family within the basic range.

6-III.D. APPLYING UTILITY ALLOWANCES [24 CFR 982.517]

Overview

DCHA'S -established utility allowance schedule is used in determining family share and DCHA subsidy. DCHA must use the appropriate utility allowance for the size of dwelling unit actually leased by a family rather than the voucher unit size for which the family qualifies using DCHA subsidy standards. See Chapter 5 for information on DCHA's subsidy standards. For policies on establishing and updating utility allowances, see Chapter 16.

Reasonable Accommodation

HCV program regulations require DCHA to approve a utility allowance amount higher than shown on DCHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, DCHA will approve an allowance for air-conditioning, even if the

DCHA has determined that an allowance for air-conditioning generally is not needed. The family must request the higher allowance and provide DCHA with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required [HCV GB, p. 18-8].

Utility Allowance Revisions

At reexamination, DCHA must use DCHA'S current utility allowance schedule [24 CFR 982.517(d)(2)].

DCHA Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination that is effective after the allowance is adopted.

6-III.E. PRORATED ASSISTANCE FOR MIXED FAMILIES [24 CFR 5.520]

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. The PHA must prorate the assistance provided to a mixed family. DCHA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, DCHA subsidy for a family is calculated at $500 and two of four family members are ineligible, DCHA subsidy would be reduced to $250.

EXHIBIT 6-1: ANNUAL INCOME INCLUSIONS 24 CFR 5.609

(a) *Annual income means all amounts, monetary or not, which:*

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph (c) of this section.

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) *Annual income includes, but is not limited to:*

(1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

(2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of $5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments.

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31[1]; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(a) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(b) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section)

HHS DEFINITION OF
"ASSISTANCE"
45 CFR: GENERAL TEMPORARY
ASSISTANCE FOR NEEDY FAMILIES
260.31 What does the term "assistance" mean?

(a)

(1) The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.

(b) [The definition of "assistance"] excludes:

(1) Nonrecurring, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who
are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6)Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance.

EXHIBIT 6-2: ANNUAL INCOME EXCLUSIONS
24 CFR 5.609

(c) Annual income does not include the following:

Annual income does not include the following:

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);

(4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

(5) Income of a live-in aide, as defined in §5.403;

(6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

(8)(i) Amounts received under training programs funded by HUD;

(ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

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

(iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed $200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time;

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

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

(11) Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of $480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.

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EXHIBIT 6-3: TREATMENT OF FAMILY ASSETS
24 CFR 5.603(b) Net Family Assets

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.
(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.
(3) In determining net family assets, DCHA or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore.
In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.
(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

EXHIBIT 6-4: EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES

24 CFR 5.617 Self-sufficiency incentives for persons with disabilities– Disallowance of increase in annual income.

(a) *Applicable programs.* The disallowance of increase in annual income provided by this section is applicable only to the following programs: HOME Investment Partnerships Program (24 CFR part 92); Housing Opportunities for Persons with AIDS (24 CFR part 574); Supportive Housing Program (24 CFR part 583); and the Housing Choice Voucher Program (24 CFR part 982).

(b) *Definitions.* The following definitions apply for purposes of this section.

Baseline income. The annual income immediately prior to implementation of the disallowance described in paragraph (c)(1) of this section of a person with disabilities (who is a member of a qualified family).

Disallowance. Exclusion from annual income.

Previously unemployed includes a person with disabilities who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Qualified family. A family residing in housing assisted under one of the programs listed in paragraph (a) of this section or receiving tenant-based rental assistance under one of the programs listed in paragraph (a) of this section.

(1) Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;

(2) Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or

(3) Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance-- provided that the total amount over a six-month period is at least $500.

(c) *Disallowance of increase in annual income—*

(1) Initial twelve month exclusion. During the cumulative twelve month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the responsible entity must exclude from annual income (as defined in the regulations governing the applicable program listed in paragraph (a) of this section) of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member.

(2) Second twelve month exclusion and phase in. During the second cumulative twelve month period after the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the responsible entity must exclude from annual income of a qualified family fifty percent of any increase in income of such family member as a result of employment over income of that family member prior to the beginning of such employment.

(3) Maximum four year disallowance. The disallowance of increased income of an individual family member who is a person with disabilities as provided in paragraph (c)(1) or (c)(2) is limited to a lifetime 48 month period. The disallowance only applies for a maximum of twelve months for disallowance under paragraph (c)(1) and a maximum of twelve months for disallowance under paragraph (c)(2), during the 48 month period starting from the initial exclusion under paragraph (c)(1) of this section.

(d) *Inapplicability to admission.* The disallowance of increases in income as a result of employment of persons with disabilities under this section does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

EXHIBIT 6-5: THE EFFECT OF WELFARE BENEFIT REDUCTION 24 CFR 5.615

Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.

(a) *Applicability.* This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

(b) *Definitions.* The following definitions apply for purposes of this section:

Covered families. Families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare agency") under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance. *Economic self-sufficiency program*. See definition at Sec. 5.603.

Imputed welfare income. The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included

in the family's annual income for purposes of determining rent.
Specified welfare benefit reduction. (1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.
(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency: (i) at expiration of a lifetime or other time limit on the payment of welfare benefits; (ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or (iii) because a family member has not complied with other welfare agency requirements.
(c) *Imputed welfare income.*
(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to DCHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.
(2) At the request of the DCHA, the welfare agency will inform DCHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform DCHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. DCHA will use this information to determine the amount of imputed welfare income for a family.
(3) A family's annual income includes imputed welfare income in family annual income, as determined at DCHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to DCHA by the welfare agency).
(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed
(5) DCHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.
(d) *Review of DCHA decision.*
(1) Public housing. If a public housing tenant claims that the DCHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if DCHA denies the family's request to modify such amount, DCHA shall give the tenant written notice of such denial, with a brief explanation of the basis for DCHA'S determination of the amount of imputed welfare income. DCHA'S notice shall also state that if the tenant does not agree with DCHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review DCHA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on DCHA determination.
(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review DCHA'S determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family

claims that such amount is not correctly calculated in accordance with HUD requirements, and if DCHA denies the family's request to modify such amount, DCHA shall give the family written notice of such denial, with a brief explanation of the basis for the DCHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with DCHA determination, the family may request an informal hearing on the determination under DCHA hearing procedure.

(e) *DCHA relation with welfare agency.*

(1) DCHA must ask welfare agencies to inform DCHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives DCHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) DCHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to DCHA. However, DCHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. DCHA shall be entitled to rely on the welfare agency notice to DCHA of the welfare agency's determination of a specified welfare benefits reduction.

Chapter 7

VERIFICATION
[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230, Notice PIH 2018-18]

INTRODUCTION

DCHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. DCHA must not pass on the cost of verification to the family. DCHA will follow the verification guidance provided by HUD. This chapter summarizes those requirements and provides supplementary DCHA policies. Part I describes the general verification process. More detailed requirements related to individual factors are provided in subsequent parts including family information (Part II), income and assets (Part III), and mandatory deductions (Part IV). Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of DCHA.

PART I. GENERAL VERIFICATION REQUIREMENTS

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516 AND 982.551, 24 CFR 5.230]

The family must supply any information that DCHA or HUD determines is necessary to the administration of the program and must consent to DCHA verification of that information [24 CFR 982.551].

Consent Forms

Consent Forms
The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information [24 CFR 982.551]. All adult family members must sign consent forms as needed to collect information relevant to the family's eligibility and level of assistance. While PHAs must use form HUD-9886, this form does not release all the information necessary to the administration of the program. The PHA must also develop its own release forms to cover all other necessary information.

Form HUD-9886-A [24 CFR 5.230(b)(1), b(2), (c)(4), and (c)(5); and Notice PIH 2023-27]

All adult applicants and participants sign form HUD-9886, Authorization for Release of Information. All adult family members (and the head and spouse/cohead, regardless of age) are required to sign the Form HUD-9886 at admission. Participants, prior to January 1, 2024, signed and submitted Form HUD-9886 at each annual reexamination. HOTMA eliminated this requirement and instead required that the Form HUD-9886 be signed only once. On or after January 1, 2024 (regardless of the PHA's HOTMA compliance date), current program participants must sign and submit a new Form HUD-9886 at their next interim or annual reexamination. This form will only be signed once. Another Form HUD-9886 will not be submitted to the PHA except under the following circumstances:

- When any person 18 years or older becomes a member of the family;
- When a current member of the family turns 18; or
- As required by HUD or the PHA in administrative instructions.

The PHA has the discretion to establish policies around when family members must sign consent forms when they turn 18. PHAs must establish these policies stating when family members will be required to sign consent forms at intervals other than at reexamination.

PHA Policy

Family members turning 18 years of age between annual recertifications will be notified in writing that they are required to sign the required Consent to the Release of Information Form HUD-9886 at the family's next annual or interim reexamination, whichever is earlier.

The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the PHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA).

The PHA may obtain any financial record from any financial institution, as the terms financial record and financial institution are defined in the Right to Financial Privacy Act (12 U.S.C. 3401), whenever the PHA determines the record is needed to determine an applicant's or participant's eligibility for assistance or level of benefits [24 CFR 5.230(c)(4)].

The executed form will remain effective until the family is denied assistance, assistance is terminated, or the family provides written notification to the PHA to revoke consent.

Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, the PHA must deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with PHA procedures.

However, this does not apply if the applicant, participant, or any member of their family, revokes their consent with respect to the ability of the PHA to access financial records from financial institutions, unless the PHA establishes a policy that revocation of consent to access financial records will result in denial or termination of assistance or admission [24 CFR 5.232(c)]. PHAs may not process interim or annual reexaminations of income without the family's executed consent forms.

PHA Policy

The PHA has established a policy that revocation of consent to access financial records will result in denial of admission or termination of assistance in accordance with PHA policy.

In order for a family to revoke their consent, the family must provide written notice to the PHA.

Within 10 business days of the date the family provides written notice, the PHA will send the family a notice acknowledging receipt of the request and explaining that revocation of consent will result in denial or termination of assistance, as applicable. At the same time, the PHA will notify their local HUD office.

7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS
HUD's Verification Hierarchy Notice PIH 2018-18

The Verification Hierarchy. DCHA will begin with the highest level of verification techniques.

If the Income Report does not contain any employment and income information for the family, DCHA will attempt the next lower level verification technique, as noted in the below chart.

Level	Verification Technique	Ranking
6	**Upfront Income Verification (UIV)** using HUD's Enterprise Income Verification (EIV) system (not available for income verifications of applicants)	**Highest** (Mandatory)
5	**Upfront Income Verification (UIV)** using non-HUD system	**Highest** (Optional)
4	**Written third Party Verification**	**High** (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV-reported employment and income information **and** is unable to provide acceptable documentation to support dispute)
3	**Written Third Party Verification Form**	**Medium-Low** (Mandatory if written third party verification documents are not available or rejected by the PHA; and when the applicant or tenant is unable to provide acceptable documentation)
2	**Oral Third Party Verification**	**Low** (Mandatory if written third party verification is not available)
1	**Tenant Declaration**	**Low** (Use as a last resort when unable to obtain any type of third party verification)

Requirements for Acceptable Documents

DCHA Policy

Any documents used for verification must be the original (not photocopies) and generally

must be dated within 120 calendar days of the date they are provided to the DCHA. The documents must not be damaged, altered or in any way illegible.

DCHA will accept documents dated up to 6 months before the effective date of the family's reexamination if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity provides semi-annual reports, DCHA would accept the most recent report. Print-outs from web pages are considered original documents. DCHA staff members who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy. Any family self-certifications must be made in a format acceptable to DCHA and must be signed in the presence of a DCHA representative or DCHA notary public.

File Documentation

DCHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that DCHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

When DCHA is unable to obtain 3rd party verification, DCHA will document in the family file the reason that third-party verification was not available [Notice PIH 2011-25]

7-I.B. USE OF OTHER PROGRAMS' INCOME DETERMINATIONS [24 CFR 5.609(c)(3) and Notice PIH 2023-27]

PHAs may, but are not required to, determine a family's annual income, including income from assets, prior to the application of any deductions, based on income determinations made within the previous 12-month period, using income determinations from means-tested federal public assistance programs. PHAs are not required to accept or use determinations of income from other federal means-tested forms of assistance. If the PHA adopts a policy to accept this type of verification, the PHA must establish in policy when they will accept Safe Harbor income determinations and from which programs. PHAs must also create policies that outline the course of action when families present multiple verifications from the same or different acceptable Safe Harbor programs.
Means-tested federal public assistance programs include:

- Temporary Assistance for Needy Families (TANF) (42 U.S.C. 601, et seq.);
- Medicaid (42 U.S.C. 1396 et seq.);
- Supplemental Nutrition Assistance Program (SNAP) (42 U.S.C. 2011 et seq.);
- Earned Income Tax Credit (EITC) (26 U.S.C. 32);
- Low-Income Housing Credit (LIHTC) program (26 U.S.C. 42);
- Special Supplemental Nutrition Program for Woman, Infants, and Children (WIC) (42 U.S.C. 1786);
- Supplemental Security Income (SSI) (42 U.S.C. 1381 et seq.);
- Other programs administered by the HUD Secretary;

- Other means-tested forms of federal public assistance for which HUD has established a memorandum of understanding; and
- Other federal benefit determinations made in other forms of means-tested federal public assistance that the Secretary determines to have comparable reliability and announces through the *Federal Register.*

If the PHA elects to use the annual income determination from one of the above-listed forms of means-tested federal public assistance, then they must obtain the income information by means of a third-party verification. The third-party verification must state the family size, must be for the entire family, and must state the amount of the family's annual income. The annual income need not be broken down by family member or income type. Annual income includes income earned from assets, therefore when using Safe Harbor to verify a family's income, PHAs will neither further inquire about a family's net family assets, nor about the income earned from those assets, except with respect to whether or not the family owns assets that exceed the asset limitation in 24 CFR 5.618. The Safe Harbor documentation will be considered acceptable if any of the following dates fall into the 12-month period prior to the receipt of the documentation by the PHA:

- Income determination effective date;
- Program administrator's signature date;
- Family's signature date;
- Report effective date; or
- Other report-specific dates that verify the income determination date.

The only information that PHAs are permitted to use to determine income under this method is the total income determination made by the federal means-tested program administrator. Other federal programs may provide additional information about income inclusions and exclusions in their award letters; however, these determinations and any other information must not be considered by the PHA. PHAs are not permitted to mix and match Safe Harbor income determinations and other income verifications.

If the PHA is unable to obtain Safe Harbor documentation or if the family disputes the other program's income determination, the PHA must calculate the family's annual income using traditional methods as outlined in Notice PIH 2023-27 and this chapter.

If the PHA uses a Safe Harbor determination to determine the family's income, the family is obligated to report changes in income that meet the PHA's reporting requirement and occur after the effective date of the transaction.

The amounts of unreimbursed reasonable attendant care expenses and child-care expenses deducted from a family's annual income, except for when a family is approved for a child-care expense hardship exemption, must still be capped by the amount earned by any family member who is enabled to work as a result of the expense. PHAs are therefore required to obtain third-party verification of the applicable employment income and cap the respective expense deductions accordingly.

PHA Policy

When available and applicable, the PHA will accept other programs' Safe Harbor determinations of income at annual reexamination to determine the family's total annual income. The PHA will still require third-party verification of all deductions such as the health and medical care expense or child care expense deductions. Further, if the family is eligible for and claims the disability assistance expense or child care expense deductions, where applicable, the PHA will obtain third-party verification of the amount of employment income of the individual(s) enabled to work in order to cap the respective expenses as required.

Prior to using any Safe Harbor determination from another program, the PHA will ask the family if they agree with the income amounts listed. If the family disputes the income amounts on the Safe Harbor determination, the PHA will obtain third-party verification of all sources of income and assets (as applicable).

The PHA will not accept other programs' determinations of income for any new admission or interim reexamination.

With the exception of income determinations made under the Low-Income Housing Tax Credit (LIHTC) program, the PHA will accept Safe Harbor determinations from any of the programs listed above.

In order to be acceptable, the income determination must:

Be dated within 12 months of the dates listed above;
State the family size
Be for the entire family (i.e., the family members listed in the documentation must match the family's composition in the assisted unit, except for household members); and
Must state the amount of the family's annual income.

The determination need not list each source of income individually. If the PHA does not receive any acceptable income determination documentation or is unable to obtain documentation, then the PHA will revert to third-party verification of income for the family.

When families present multiple verifications from the same or different acceptable Safe Harbor programs, the PHA will use the most recent income determination, unless the family presents acceptable evidence that the PHA should consider an alternative verification from a different Safe Harbor source.

When the PHA uses a Safe Harbor income determination from another program, and the family's income subsequently changes, the family is required to report the change to the PHA. Depending on when the change occurred, the change may or may not impact the PHA's calculation of the family's total annual income. Changes that occur between the time the PHA receives the Safe Harbor documentation and the effective date of the family's annual reexam will not be considered. If the family has a change in income that occurs after the annual reexam effective date, the PHA will conduct an interim reexam if the change meets the requirements for performing an interim reexamination as outlined in Chapter 11. In this case, the PHA will use third-party verification to verify the change.

7-I.C. UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to DCHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to DCHA. DCHA must restrict access to and safeguard UIV data in accordance with HUD guidance on security procedures, as issued and made available by HUD.
There may be legitimate differences between the information provided by the family and EIV generated information. No adverse action can be taken against a family until the PHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of DCHA.

Upfront Income Verification Using HUD's Enterprise Income Verification (EIV) System (Mandatory)

DCHA must use HUD's EIV system in its entirety as a third-party source to verify tenant employment and income information during mandatory reexaminations or recertifications of family composition and income in accordance with 24 CFR 5.236 and administrative guidance issued by HUD. The EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families.

The following policies apply to the use of HUD's EIV system.

EIV Income and IVT Reports

The data shown on income and income validation tool (IVT) reports is updated quarterly. Data may be between 3 and 6 months old at the time reports are generated.

DCHA Policy

DCHA will obtain income and IVT reports for annual reexaminations on a monthly basis.

Reports will be generated as part of the regular reexamination process.

Income and IVT reports will be compared to family-provided information as part of the annual reexamination process.

Income reports may be used in the calculation of annual income, as described in Chapter 6-I.C. Income reports may also be used to meet the regulatory requirement for third party verification, as described above. Policies for resolving discrepancies between income reports and family-provided information will be resolved as described in Chapter 6-I.C. and in this chapter.

Income and IVT reports will be used in interim reexaminations to identify any discrepancies between reported income and income shown in the EIV system, and as necessary to verify earned income, and to verify and calculate unemployment benefits, Social Security and/or SSI benefits.

EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.

Income and IVT reports will be retained in participant files with the applicable annual or interim reexamination documents.

When the DCHA determines through EIV reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

EIV Identity Verification

The EIV system verifies tenant identities against SSA records. These records are compared to PIC data for a match on social security number, name, and date of birth.

DCHA is required to use EIV's *Identity Verification Report* on a monthly basis to improve the availability of income information in EIV [Notice PIH 2018-18].

When identity verification for a participant fails, a message will be displayed within the EIV system and no income information will be displayed.

DCHA Policy

DCHA will identify participants whose identity verification has failed by reviewing EIV's *Identity Verification Report* on a monthly basis.

DCHA will attempt to resolve PIC/SSA discrepancies by obtaining appropriate documentation from the participant. When the DCHA determines that discrepancies exist due to PHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

7-I.C. STREAMLINED INCOME DETERMINATIONS [24 CFR 960.257(c); Notice PIH 2023-27]

HUD permits PHAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years, the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or other inflationary adjustment factor. Streamlining policies are optional. The PHA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, the PHA must perform third-party verification of all income sources.

Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits, and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

Two streamlining options are available, depending upon the percentage of the family's income that is received from fixed sources.

When 90 percent or more of a family's unadjusted income is from fixed sources, the PHA may apply the inflationary adjustment factor to the family's fixed-income sources, provided that the family certifies both that 90 percent or more of their unadjusted income is fixed and that their sources of fixed income have not changed from the previous year. Sources of non-fixed income are not required to be adjusted and must not be adjusted by a COLA, but PHAs may choose to adjust sources of non-fixed income based on third-party verification. PHAs have the discretion to either adjust the non-fixed income or carry over the calculation of non-fixed income from the first year to years two and three.

When less than 90 percent of a family's unadjusted income consists of fixed income, PHAs may apply a COLA to each of the family's sources of fixed income. PHAs must determine all other income using standard verification requirements as outlined in Notice PIH 2023-27.

PHA Policy

When the PHA does not use a Safe Harbor income determination from a federal assistance program to determine the family's annual income as outlined above, then PHA will use a streamlined income determinations where applicable.

If 90 percent or more of a family's unadjusted income is from fixed income sources:

The PHA will streamline the annual reexamination process by applying the verified inflationary adjustment factor to fixed-income sources.

The family will be required to sign a self-certification stating that 90 percent or more of their unadjusted income is fixed income and that their sources of fixed income have not changed from the previous year.

The PHA will document in the file how the determination that a source of income was fixed was made.

Third-party verification of non-fixed income will be obtained annually regardless of the percentage of family income received from fixed sources.

If the family's sources of fixed income have changed from the previous year, the PHA will obtain third-party verification of any new sources of fixed income.

When less than 90 percent of a family's unadjusted income consists of fixed income:

The PHA will apply a COLA to each of the family's sources of fixed income.

All other income will be verified using third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy.

In the following circumstances, regardless of the percentage of income received from fixed sources, the PHA will obtain third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy:

Of all assets when net family assets exceed $50,000;

Of all deductions and allowances from annual income;

If a family member with a fixed source of income is added;

If verification of the COLA or rate of interest is not available;

During the intake process and at least once every three years thereafter.

7-I.D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION [Notice PIH 2018-18]

HUD's current verification hierarchy defines two types of written third-party verification. The more preferable form, "written third-party verification," consists of an original document generated by a third-party source, which may be received directly from a third-party source or provided to DCHA by the family. If written third-party verification is not available, DCHA must attempt to obtain a "written third-party verification form." This is a standardized form used to collect information from a third party.

Written Third-Party Verification [Notice PIH2018-18]

Written third-party verification documents must be original and authentic and may be supplied by the family or received from a third-party source.

Examples of acceptable tenant-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or

printouts, and unemployment monetary benefit notices.

DCHA is required to obtain, at minimum, two current and consecutive pay stubs for determining annual income from wages.

DCHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible.

DCHA Policy

Third-party documents provided by the family must be dated within 60 days of DCHA's request date.
If DCHA determines that third-party documents provided by the family are not acceptable, DCHA will explain the reason to the family and request additional documentation.
As verification of earned income, DCHA will request pay stubs covering the 60-day period prior to the PHA's request.

Written Third-Party Verification Form

When upfront verification is not available and the family is unable to provide written third-party documents, DCHA must request a written third-party verification form. HUD's position is that this traditional third-party verification method presents administrative burdens and risks which may be reduced through the use of family-provided third-party documents.

A written third-party verification form is mandatory when there is an unreported source of income or a substantial difference in reported income ($2400 annually or more) and there is no UIV or tenant-provided documentation to support the income discrepancy.

DCHA may mail, fax, or e-mail third-party written verification form requests to third-party sources.

DCHA Policy

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

Oral Third-Party Verification [Notice PIH 2018=18]

For third-party oral verification, DCHA's contact sources, identified by UIV techniques or by the family, by telephone or in person.

Oral third-party verification is mandatory if neither form of written third-party verification is available.

Third-party oral verification may be used when requests for written third-party verification forms have not been returned within a reasonable time—e.g., 10 business days.

DCHA should document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

DCHA Policy

> In collecting third-party oral verification, DCHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

When Third-Party Verification is Not Required [Notice PIH2018-18]

Third-party verification may not be available in all situations. HUD has acknowledged that it may not be cost-effective or reasonable to obtain third-party verification of income, assets, or expenses when these items would have a minimal impact on the family's total tenant payment.

Primary Documents

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

Imputed Assets

HUD permits PHAs to accept a self-certification from a family as verification of assets disposed of for less than fair market value.

7-I.E. SELF-CERTIFICATION

When HUD requires third-party verification, self-certification or "tenant declaration," is used as a last resort when the PHA is unable to obtain third-party verification.

Self-certification, however, is an acceptable form of verification when:

- A source of income is fully excluded
- Net family assets total $5,000 or less and the PHA has adopted a policy to accept self-certification at annual recertification, when applicable
- The PHA has adopted a policy to implement streamlined annual recertification's for Fixed sources of income (See Chapter 11)

When the PHA was required to obtain third-party verification but instead relies on a tenant declaration for verification of income, assets, or expenses, the family's file must be documented to explain why third-party verification was not available.

DCHA Policy

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the PHA.

DCHA may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to DCHA and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a DCHA representative

PART II. VERIFYING FAMILY INFORMATION

7-II.A. VERIFICATION OF LEGAL IDENTITY

DCHA Policy

DCHA will require families to furnish verification of legal identity for each household member.

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
Certificate of birth, naturalization papers	
Church issued baptismal certificate	
Current, valid driver's license or Department of Motor Vehicles identification card	
U.S. military discharge (DD 214)	
U.S. passport	
Employer identification card	
	Certificate of birth
	Adoption papers
	Custody agreement
	Health and Human Services ID
	School records

If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at DCHA's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to DCHA and be signed in the presence of a DCHA representative or DCHA notary public.

Legal identity will be verified on an as needed basis.

Docket No. FR–5596–N–01:

In regard to verifying Social Security numbers (SSNs) for homeless veterans and their family members, an original document issued by a federal or state government agency, which contains the name of the individual and the SSN of the individual along with other identifying information of the individual, is acceptable in accordance with 24 CFR part 5.216(g). In the case of the homeless veteran, the PHA must accept the *Certificate of Release or Discharge from Active Duty* (DD–214) or the VA-verified *Application for Health Benefits* (10–10EZ) as verification of SSN and cannot require the veteran to provide a SSN card. These documents must also be accepted for proof-of-age purposes in lieu of birth certificates or other PHA-required documentation. Please note that veterans are also issued photo identification cards by the VA. If such identification is required by DCHA, these cards must be accepted by DCHA in lieu of another type of government-issued photo identification. These cards may also be used to verify SSNs and date of birth.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216; Notice PIH 2018-14]

The family must provide documentation of a valid Social Security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include existing program participants who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

Note that an individual who previously declared to have eligible immigration status may not change their declaration for the purpose of avoiding compliance with the SSN disclosure and documentation requirements or penalties associated with noncompliance with these requirements. Nor may the head of household opt to remove a household member from the family composition for this purpose.

The PHA must accept the following documentation as acceptable evidence of the social security number:

- An original SSN card issued by the Social Security Administration (SSA)
- An original SSA-issued document, which contains the name and SSN of the individual
- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual

While PHAs must attempt to gather third-party verification of SSNs prior to admission as listed above, PHAs also have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the PHA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, the PHA must document why the other SSN documentation was not available.

If the tenant's SSN becomes verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then the PHA must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.

PHA Policy

The PHA will verify an individual's SSN in the situations described above using the method described above as a last resort when no other forms of verification of the individual's SSN are available.

The PHA may only reject documentation of an SSN provided by an applicant or participant if the document is not an original document or if the original document has been altered, mutilated, is illegible, or appears to be forged.

PHA Policy

The PHA will explain to the applicant or participant the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the PHA within 90 days.

In the case of Moderate Rehabilitation Single Room Occupancy (SRO) individuals, the required documentation must be provided within 90 calendar days from the date of admission into the program. The PHA must grant one additional 90-day extension if it determines that the applicant's failure to comply was due to circumstances that were beyond the applicant's control and could not have been reasonably foreseen.

PHA Policy

The PHA will grant one additional 90-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency. If the individual fails to comply with SSN disclosure and documentation requirements upon expiration of the provided time period, the PHA will terminate the individual's assistance.

If an applicant family includes a child under 6 years of age who joined the household within the 6 months prior to the date of voucher issuance, an otherwise eligible family may be admitted to the program and the family must provide documentation of the child's SSN within 90 days of the effective date of the initial HAP contract. A 90-day extension will be granted if the PHA determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control.

PHA Policy

The PHA will grant one additional 90-day extension if needed for reasons beyond the applicant's control, such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

When a participant requests to add a new household member who is at least 6 years of age, or who is under the age of 6 and has an SSN, the participant must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. The PHA may not add the new household member until such documentation is provided.

When a participant requests to add a new household member who is under the age of 6 and has not been assigned an SSN, the participant must provide the SSN assigned to each new child and the required documentation within 90 calendar days of the child being added to the household. A 90-day extension will be granted if the PHA determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control. During the period the PHA is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

PHA Policy

The PHA will grant one additional 90-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

Social security numbers must be verified only once during continuously assisted occupancy.

PHA Policy

The PHA will verify each disclosed SSN by:

Obtaining documentation from applicants and participants that is acceptable as evidence of social security numbers

Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder

Once the individual's verification status is classified as "verified," the PHA may, at its discretion, remove and destroy copies of documentation accepted as evidence of social security numbers. The retention of the EIV Summary Report or Income Report is adequate documentation of an individual's SSN.

PHA Policy

Once an individual's status is classified as "verified" in HUD's EIV system, the PHA will not remove and destroy copies of documentation accepted as evidence of social security numbers.

7-II.C. DOCUMENTATION OF AGE

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

DCHA Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, DCHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

7-II.D. FAMILY RELATIONSHIPS

Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

DCHA Policy

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

Marriage

DCHA Policy

Certification by the head of household is normally sufficient verification. If DCHA has reasonable doubts about a marital relationship, DCHA will require the family to document the marriage.
A marriage certificate generally is required to verify that a couple is married.
In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

Separation or Divorce

DCHA Policy

Certification by the head of household is normally sufficient verification. If DCHA has reasonable doubts about a separation or divorce, DCHA will require the family to document the divorce, or separation.
A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.
A copy of a court-ordered maintenance or other court record is required to document a separation.
If no court document is available, documentation from a community-based agency will be accepted.

Absence of Adult Member

DCHA Policy

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

Foster Children and Foster Adults

DCHA Policy

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

7-II.E. VERIFICATION OF STUDENT STATUS

DCHA Policy

DCHA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:
The family claims full-time student status for an adult other than the head, spouse, or co head, or The family claims a child care deduction to enable a family member to further his or her education.

Restrictions on Assistance to Students Enrolled in Institutions of Higher Education
This section applies only to students who are seeking assistance on their own, separately from their parents. It does not apply to students residing with parents who are seeking or receiving HCV assistance.

DCHA Policy

In accordance with the verification hierarchy described in section 7-1.B, DCHA will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

The student is enrolled at an educational institution that does not meet the definition of *institution of higher education* in the Higher Education Act of 1965 (see section Exhibit 3-2).
The student is at least 24 years old.
The student is a veteran, as defined in section 3-II.E.
The student is married.
The student has at least one dependent child, as defined in section 3-II.E.
The student is a person with disabilities, as defined in section 3-II.E, and was receiving assistance prior to November 30, 2005.

If DCHA cannot verify at least one of these exemption criteria, DCHA will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. In addition to verifying the student's income eligibility, DCHA will then proceed to verify either the student's parents' income eligibility (see section 7-III.J) or the student's independence from his/her parents

Independent Student

DCHA Policy

DCHA will verify a student's independence from his/her parents to determine that the student's parents' income is not relevant for determining the student's eligibility by doing all of the following:

Either reviewing and verifying previous address information to determine whether the student has established a household separate from his/her parents for at least one year, or reviewing and verifying documentation relevant to determining whether the student meets the U.S. Department of Education's definition of *independent student* (see section 3-II.E)

Reviewing the student's prior year income tax returns to verify the student is independent or verifying the student meets the U.S. Department of Education's definition of *independent student* (see section 3-II.E)

Requesting and obtaining written certification directly from the student's parents identifying the amount of support they will be providing to the student, even if the amount of support is $0, except in cases in which DCHA determines that the student is a *vulnerable youth* (see section 3-II.E)

7-II.F. DOCUMENTATION OF DISABILITY

DCHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. DCHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. DCHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If DCHA receives a verification document that provides such information, DCHA will not place this information in the tenant file. Under no circumstances will DCHA request a participant's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website at www.os.dhhs.gov. The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

ϒ Inquiry into an applicant's ability to meet the requirements of ownership or tenancy

ϒ Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability

ϒ Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability

ϒ Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance

ϒ Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

Family Members Receiving SSA Disability Benefits

DCHA will attempt to obtain information about disability benefits through the HUD EIV System when it is available, or HUD's Tenant Assessment Subsystem (TASS). If the HUD EIV System or TASS is not available, DCHA will attempt to obtain third-party written/oral verification from the SSA. If third-party verification is not available, the family may provide an original SSA document that confirms the current benefits.
Verification of receipt of SSA benefits or SSI based upon disability is sufficient for verification of disability for the purpose of qualification for waiting list preferences or certain income disallowances and deductions. Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

Family Members Not Receiving SSA Disability Benefits

For family members claiming disability who do not receive SSI or other disability payments from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible Immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. A detailed discussion of eligibility requirements is in the Eligibility chapter. This verifications chapter discusses HUD and DCHA verification requirements related to citizenship status. The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy [24 CFR 5.508(g)(5)]

U.S. Citizens and Nationals

HUD requires a declaration for each family member who claims to be a U.S. citizen or national.

The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

DCHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

DCHA Policy

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless DCHA receives information indicating that an individual's declaration may not be accurate.

Eligible Immigrants

Documents Required

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.
The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-2 at the end of this chapter summarizes documents family members must provide.

DCHA Verification [HCV GB, pp. 5-3 and 5-7]

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 7-II.C. of this plan. No further verification of eligible immigration status is required.
For family members under the age of 62 who claim to be eligible immigrants, DCHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS). The PHA will follow all USCIS protocols for verification of eligible immigration status.

7-II.H. VERIFICATION OF PREFERENCE STATUS

DCHA must verify any preferences claimed by an applicant.

DCHA Policy

DCHA offers no preferences; therefore no verification of preferences is required.

PART III. VERIFYING INCOME AND ASSETS

Chapter 6, Part I of this plan describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides DCHA policies that supplement the general verification procedures specified in Part I of this chapter.

7-III.A. EARNED INCOME

Tips

DCHA Policy

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

Wages

DCHA Policy

For wages other than tips, the family must provide originals of the three most current, consecutive pay stubs.

7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME

DCHA Policy

Business owners and self-employed persons will be required to provide:
An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes in the preceding year.
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.

DCHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination DCHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.
If a family member has been self-employed less than three (3) months, DCHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months DCHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

Social Security/SSI Benefits

DCHA Policy

To verify the SS/SSI benefits of applicants, DCHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s), DCHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant has received the benefit verification letter they will be required to provide it to DCHA.

To verify the SS/SSI benefits of participants, DCHA will obtain information about social security/SSI benefits through the HUD EIV System or the Tenant Assessment Subsystem (TASS). If benefit information is not available in HUD systems, DCHA will request a current SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s) DCHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the participant has received the benefit verification letter they will be required to provide it to DCHA.

7-III.D. ALIMONY OR CHILD SUPPORT

DCHA Policy

The way DCHA will seek verification for alimony and child support differs depending on whether the family declares that it receives regular payments.
If the family declares that it ***receives regular payments***, verification will be sought in the following order.
If payments are made through a state or local entity, DCHA will request a record of payments for the past 12 months and request that the entity disclose any known information about the likelihood of future payments.
Third-party verification from the person paying the support
Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules
Copy of the latest check and/or payment stubs
Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.
If the family declares that it ***receives irregular or no payments***, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:
A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the

family in these efforts Note: Families are not required to undertake independent enforcement action.

7-III.E. ASSETS AND INCOME FROM ASSETS

Assets Disposed of for Less than Fair Market Value
The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. DCHA needs to verify only those certifications that warrant documentation [

DCHA Policy

DCHA will accept a family's declaration of the amount of asset less than $5,000.00 and the amount of income expected to be received from those assets. DCHA's application and recertification documentation which is signed by all adult family members will serve as the declaration. Where the family has net family assets equal to or less than $5,000. DCHA will not request supporting documentation (e.g. bank statements) from the family to confirm the assets or the amount of income expected to be received from those assets.

Where the family has net family assets in excess of $5,000.00, DCHA must obtain supporting documentations (e.g. bank statements) from the family to confirm he assets
DCHA will verify the value of assets disposed of only if:
DCHA does not already have a reasonable estimation of its value from previously collected information, or The amount reported by the family in the certification appears obviously in error.
Example 1: An elderly participant reported a $10,000 certificate of deposit at the last annual reexamination and DCHA verified this amount. Now the person reports that she has given this $10,000 to her son. DCHA has a reasonable estimate of the value of the asset; therefore, re-verification of the value of the asset is not necessary.
Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, DCHA will verify the value of this asset.

7-III.F. NET INCOME FROM RENTAL PROPERTY

DCHA Policy

The family must provide:
A current executed lease for the property that shows the rental amount or certification from the current tenant
A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, DCHA

will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

7-III.G. RETIREMENT ACCOUNTS

DCHA Policy

When third-party verification is not available the type of original document that will be accepted depends upon the family member's retirement status.

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

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

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

7-III.H. INCOME FROM EXCLUDED SOURCES

A detailed discussion of excluded income is provided in Chapter 6, Part I.

DCHA must obtain verification for income exclusions only if, without verification, DCHA would not be able to determine whether the income is to be excluded. For example: If a family's 16 year old has a job at a fast food restaurant, DCHA will confirm that DCHA records verify the child's age but will not send a verification request to the restaurant. However, if a family claims the earned income disallowance for a source of income, both the source and the income must be verified.

DCHA Policy

DCHA will reconcile differences in amounts reported by the third party and the family only when the excluded amount is used to calculate the family share (as is the case with the earned income disallowance). In all other cases, DCHA will report the amount to be excluded as indicated on documents provided by the family.

7-III.I. ZERO ANNUAL INCOME STATUS

Families claiming to have no annual income will be required to execute verification forms to determine that certain forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by the household.

DCHA will also check EIV sources.

7-III.J. STUDENT FINANCIAL ASSISTANCE

Any financial assistance, in excess of amounts received for tuition, that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income unless the student is over the age of 23 with dependent children or is residing with parents who are seeking or receiving HCV assistance [24 CFR 5.609 (b)(9) and FR 4/10/96].

For students over the age of 23 with dependent children or students residing with parents who are seeking or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income [24CFR 5.609 (c)(6)]. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institution of higher education (as defined in Exhibit 3-2). Excluded amounts are verified only if, without verification DCHA would not be able to determine whether or to what extent the income is to be excluded.

DCHA policy

For a student subject to having a portion of his/her financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), DCHA will request third party written verification of both the source and the amount form the educational institution attended by the student as well as from any other person or entity providing such assistance, as reported by the student.

In addition, DCHA will request written verification of the requested information, DCHA will pursue other forms of verification following the verification hierarchy.

7-III.K. PARENTAL INCOME OF STUDENTS SUBJECT TO ELGBIBILITYI RESTRICTIONS

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the income of the student's parents must be considered when determining income eligibility, uncles the student id determine independent from his or her parents in accordance with DCHA policy [24CFR 5.612 and FR 4/10/06].

This provision does not apply to students residing with parents who are seeking or receiving HCV assistance. It is limited to students who are seeking or receiving assistance on their owned, separately from their parents.

DCHA policy

If DCHA is required to determine the income eligibility of a student's parents, DCHA will request an income declaration and certification of income from the appropriate parent (s). DCHA will send the request directly to the parents, who will be required to submit the information directly to DCHA. The required information must be submitted within 10 business days of the date of DCHA's request or within any extended timeframe approved by DCHA.

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

PART IV. VERIFYING MANDATORY DEDUCTIONS
7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that DCHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

Dependent Deduction

See Chapter 6 (6-II.B.) for a full discussion of this deduction. DCHA will verify that:
Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or co-head of the family and is not a foster child
Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

Elderly/Disabled Family Deduction
See Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. DCHA will verify that the head, spouse, or co head is 62 years of age or older or a person with disabilities.

7-IV.B. MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

DCHA Policy

DCHA will provide a third-party verification form directly to the medical provider requesting the needed information.
Medical expenses will be verified through:
Third-party verification form signed by the provider, when possible
If third-party is not possible, copies of cancelled checks used to make medical expense payments and/or printouts or receipts from the source will be used. In this case DCHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. DCHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.
If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months
In addition, DCHA must verify that:
The household is eligible for the deduction.

The costs to be deducted are qualified medical expenses.
The expenses are not paid for or reimbursed by any other source.
Costs incurred in past years are counted only once.

Eligible Household

The medical expense deduction is permitted only for households in which the head, spouse, or co head is at least 62, or a person with disabilities. DCHA will verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 (7-IV.A.) of this plan.

Qualified Expenses
To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for DCHA's policy on what counts as a medical expense.

Unreimbursed Expenses

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

DCHA Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source.

Expenses Incurred in Past Years

DCHA Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, DCHA will verify:

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

7-IV.C. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

Attendant Care

DCHA Policy

DCHA will provide a third-party verification form directly to the care provider requesting the needed information.
Expenses for attendant care will be verified through:

Third-party verification form signed by the provider, when possible
If third-party is not possible, copies of cancelled checks used to make attendant care payments and/or receipts from care source

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months

Auxiliary Apparatus

DCHA Policy

Expenses for auxiliary apparatus will be verified through:
Third-party verification of anticipated purchase costs of auxiliary apparatus
If third-party is not possible, billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months
If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming 12 months
In addition, DCHA must verify that:

The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
The expense permits a family member, or members, to work (as described in 6-II.E.).
The expense is not reimbursed from another source (as described in 6-II.E.).

Family Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. DCHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

DCHA must verify that the expenses claimed actually enable a family member, or members,(including the person with disabilities) to work.

DCHA Policy

DCHA will seek third-party verification from a Rehabilitation Agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.). If third-party and document review verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

Unreimbursed Expenses

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

DCHA Policy

An attendant care provider will be asked to certify that, to the best of the provider's knowledge, the expenses are not paid by or reimbursed to the family from any source. The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

7-IV.D. CHILD CARE EXPENSES

Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter. In addition, DCHA must verify that:

The child is eligible for care.
The costs claimed are not reimbursed.
The costs enable a family member to pursue an eligible activity.
The costs are for an allowable type of child care.
The costs are reasonable.

Eligible Child

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13. DCHA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.). A copy of the tax return may be used to verify annual amounts claimed for child care expenses.

Unreimbursed Expense

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

DCHA Policy

The child care provider will be asked to certify that, to the best of the provider's knowledge, the child care expenses are not paid by or reimbursed to the family from any source.
The family will be required to certify that the child care expenses are not paid by or reimbursed to the family from any source.

Pursuing an Eligible Activity

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

DCHA Policy

Information to be Gathered

DCHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

Whenever possible DCHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases DCHA will request verification from the agency of the member's job seeking efforts to date and require the family to submit to DCHA any reports provided to the other agency.

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

Furthering Education

DCHA will ask that the academic or vocational educational institution verify that the person permitted to further his or her education by the child care is enrolled and provide information about the timing of classes for which the person is registered.

Gainful Employment

DCHA will seek verification from the employer of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified.

Allowable Type of Child Care

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

DCHA Policy

DCHA will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II.F).

DCHA will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

DCHA will verify that the child care provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

Reasonableness of Expenses

Only reasonable child care costs can be deducted.

DCHA Policy

The actual costs the family incurs will be compared with DCHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

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

EXHIBIT 7-1: SUMMARY OF DOCUMENTATION REQUIREMENTS FOR NONCITIZENS [HCV GB, pp. 5-9 and 5-10]

All noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to DCHA.
Except for persons 62 or older, all noncitizens must sign a verification consent form
Additional documents are required based upon the person's status.

Elderly Noncitizens

A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.

All other Noncitizens

Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

Form I-551 Alien Registration Receipt Card (for permanent resident aliens)

Form I-94 Arrival-Departure Record annotated with one of the following:
"Admitted as a Refugee Pursuant to Section 207"

"Section 208" or "Asylum"

"Section 243(h)" or "Deportation stayed by Attorney General"

"Paroled Pursuant to Section 221 (d)(5) of the USCIS"

Form I-94 Arrival-Departure Record with no annotation accompanied by:

A final court decision granting asylum (but only if no appeal is taken);

A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90);

A court decision granting withholding of deportation; or

A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).

Form I-688 Temporary Resident Card annotated "Section 245A" or Section 210".
Form I-688B Employment Authorization Card annotated "Provision of Law 274a. 12(11)" or "Provision of Law 274a.12".

A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant's entitlement to the document has been verified; or

Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*

Chapter 8

HOUSING QUALITY STANDARDS AND RENT REASONABLENESS DETERMINATIONS
[24 CFR 982 Subpart I and 24 CFR 982.507]

INTRODUCTION

HUD requires that all units occupied by families receiving Housing Choice Voucher (HCV) assistance meet HUD's Housing Quality Standards (HQS) and permits DCHA to establish additional requirements. The use of the term "HQS" in this plan refers to the combination of both HUD and DCHA-established requirements. HQS inspections are required before the Housing Assistance Payments (HAP) Contract is signed and at least annually during the term of the contract. HUD also requires DCHA to determine that units rented by families assisted under the HCV program have rents that are reasonable when compared to comparable unassisted units in the market area.

This chapter explains HUD and DCHA requirements related to housing quality and rent reasonableness as follows:

Part I. Physical Standards. This part discusses the physical standards required of units occupied by HCV-assisted families and identifies decisions about the acceptability of the unit that may be made by the family based upon the family's preference. It also identifies life-threatening conditions that must be addressed on an expedited basis.

Part II. The Inspection Process. This part describes the types of inspections DCHA will make and the steps that will be taken when units do not meet HQS.

Part III. Rent Reasonableness Determinations. This part discusses the policies DCHA will use to make rent reasonableness determinations.
Special HQS requirements for homeownership, manufactured homes, and other special housing types are discussed in Chapter 15 to the extent that they apply in this jurisdiction.

PART I: PHYSICAL STANDARDS

8.I.A. GENERAL HUD REQUIREMENTS

HUD Performance and Acceptability Standards

HUD's performance and acceptability standards for HCV-assisted housing are provided in 24 CFR 982.401. These standards cover the following areas:

Sanitary facilities
Food preparation and refuse disposal
Space and Security
Thermal Environment
Illumination and electricity
Structure and materials

Interior Air Quality
Water Supply
Lead-based paint
Access
Site and neighborhood
Sanitary condition
Smoke Detectors one working smoke detector on each floor

A summary of HUD performance criteria is provided in Attachment 8-1. Additional guidance on these requirements is found in the following HUD resources:

Housing Choice Voucher Guidebook, Chapter 10.

HUD Housing Inspection Manual for Section 8 Housing

HUD Inspection Form, form HUD-52580 (3/01)(4/15) and Inspection Checklist, form HUD-52580-A ((4/15)9/00)

HUD Notice 2003-31, Accessibility Notice: Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Architectural Barriers Act of 1968 and the Fair Housing Act of 1988.

Tenant Preference Items

HUD requires DCHA to enforce minimum HQS but also requires that certain judgments about acceptability be left to the family. For example, DCHA must ensure that the unit contains the required sanitary facilities, but the family decides whether the cosmetic condition of the facilities is acceptable. Attachment 8-2 summarizes those items that are considered tenant preferences.

Modifications to Provide Accessibility

Under the Fair Housing Act of 1988 an owner must not refuse the request of a family that contains a person with a disability to make necessary and reasonable modifications to the unit. Such modifications are at the family's expense. The owner may require restoration of the unit to its original condition if the modification would interfere with the owner or next occupant's full enjoyment of the premises. The owner may not increase a customarily required security deposit. However, the landlord may negotiate a restoration agreement that requires the family to restore the unit and, if necessary to ensure the likelihood of restoration, may require the tenant to pay a reasonable amount into an interest bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the tenant. The owner may also require reasonable assurances that the quality of the work will be acceptable and that any required building permits will be obtained.[24 CFR 100.203; Notice 2003-31]. Modifications to units to provide access for a person with a disability must meet all applicable
HQS requirements and conform to the design, construction, or alteration of facilities contained in the UFAS and the ADA Accessibility Guidelines (ADAAG) [28 CFR 35.151(c) and Notice 2003-31] See Chapter 2 of this plan for additional information on reasonable accommodations for persons with disabilities.

DCHA Policy

Any owner that intends to negotiate a restoration agreement or require an escrow account must submit the agreement(s) to DCHA for review.

8.I.B. ADDITIONAL LOCAL REQUIREMENTS

DCHA may impose additional quality standards as long as the additional criteria are not likely to adversely affect the health or safety of participant families or severely restrict housing choice. HUD approval is required if more stringent standards are imposed. HUD approval is not required if DCHA additions are clarifications of HUD's acceptability criteria or performance standards [24 CFR 982.401(a)(4)].

Thermal Environment [HCV GB p.10-7]
The PHA must define a "healthy living environment" for the local climate. This may be done by establishing a temperature that the heating system must be capable of maintaining, that is appropriate for the local climate.

DCHA Policy

The heating system must be capable of maintaining an interior temperature of 65 degrees Fahrenheit between October 15 and May 15.

Clarifications of HUD Requirements

DCHA Policy

As permitted by HUD, DCHA has adopted the following specific requirements that elaborate on HUD standards.
Walls-In areas where plaster or drywall is sagging, severely cracked, or otherwise damaged, it must be repaired or replaced.
Windows-Window sashes must be in good condition, solid and intact, and properly fitted to the window frame. Damaged or deteriorated sashes must be replaced.
Windows must be weather-stripped as needed to ensure a weather-tight seal.
Window screens must be in good condition (applies only if screens are present).
Doors-All exterior doors must be weather-tight to avoid any air or water infiltration, be lockable, have no holes, have all trim intact, and have a threshold.
Doors must not have double key entry locks.
All interior doors must have no holes, have all trim intact, and be open-able without the use of a key.
Floors-All wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be re-secured and made level. If they cannot be leveled, they must be replaced. All floors must be in a finished state. Raw wood or unsealed concrete is not permitted.

All floors should have some type of base shoe, trim, or sealing for a "finished look." Vinyl base shoe is permitted.
Sinks-All sinks and commode water lines must have shut off valves, unless faucets are wall mounted. All worn or cracked toilet seats and tank lids must be replaced and toilet tank lid must fit properly. All sinks must have functioning stoppers.
Security-If window security bars or security screens are present on emergency exit windows, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.

8.I.C. LIFE THREATENING CONDITIONS [24 CFR 982.404(a)]

HUD requires DCHA to define life threatening conditions and to notify the owner or the family (whichever is responsible) of the corrections required. The responsible party must correct life threatening conditions within 24 hours of DCHA notification.

DCHA Policy
The following are considered life threatening conditions:
Any condition that jeopardizes the security of the unit
Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling
Natural or LP gas or fuel oil leaks
Any electrical problem or condition that could result in shock or fire
Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit.
Utilities not in service, including no running hot water
Conditions that present the imminent possibility of injury
Obstacles that prevent safe entrance or exit from the unit
Absence of a functioning toilet in the unit
Lack of at least one working smoke detector on each level of the unit.
Unmovable obstacles that prevent safe entrance or exit from the unit

If an owner fails to correct life threatening conditions as required by DCHA, the housing assistance payment will be abated and the HAP contract will be terminated. See 8-II-G.
If a family fails to correct a family caused life threatening condition as required by DCHA, DCHA may terminate the family's assistance. See 8-II.H.
The owner will be required to repair an inoperable smoke detector unless DCHA determines that the family has intentionally disconnected it (by removing batteries or other means). In this case, the family will be required to repair the smoke detector within 24 hours.

8-I.D. OWNER AND FAMILY RESPONSIBILITIES [24 CFR 982.404]

Family Responsibilities

The family is responsible for correcting the following HQS deficiencies:

Tenant-paid utilities not in service

Failure to provide or maintain family-supplied appliances

Damage to the unit or premises caused by a household member or guest beyond normal wear and tear. "Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under state law or court practice.

Owner Responsibilities

The owner is responsible for all HQS violations not listed as a family responsibility above, even if the violation is caused by the family's living habits (e.g., vermin infestation). However, if the family's actions constitute a serious or repeated lease violation the owner may take legal action to evict the family. The owner is responsible for providing a current copy of the rental license-occupancy permit-Use and Occupancy permit prior to the execution of a contract.

8-I-E. SPECIAL REQUIREMENTS FOR CHILDREN WITH Elevated Blood Lead Level [24CFR 35.1225; FR Notice 1/13/2017; Notice PIH 2017-13]

If DCHA is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than 6 years of age, living in an HCV-assisted unit has been identified as having an environmental intervention blood lead level, DCHA must complete a risk assessment of the dwelling unit. The risk assessment must be completed in accordance with program requirements, and the result of the risk assessment must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner.

Within 30 days after receiving the risk assessment report from DCHA, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead based paint hazards in accordance with the lead-based paint regulations [24 CFR 35.1325 and 35.1330]. If the owner does not complete the “hazard reduction” as required, the dwelling unit is in violation of HQS and DCHA will take action in accordance with Section 8-II.G.

DCHA reporting requirements, and data collection and record keeping responsibilities related to children with an environmental intervention blood lead level are discussed in Chapter 16.

8-I-F. VIOLATION OF HQS SPACE STANDARDS [24 CFR 982.403]

If DCHA determines that a unit does not meet the HQS space standards because of an increase in family size or a change in family composition, DCHA must issue the family a new voucher, and the family and DCHA must try to find an acceptable unit as soon as possible. If an acceptable

unit is available for rental by the family, DCHA must terminate the HAP contract in accordance with its terms.

PART II: THE INSPECTION PROCESS
8-II.A. OVERVIEW [24 CFR 982.405]

Types of Inspections

DCHA conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

Initial Inspections. DCHA conducts initial inspections in response to a request from the family to approve a unit for participation in the HCV program. The unit must pass the HQS inspection before the effective date of the HAP Contract.

Annual/Biennial Inspections. HUD requires the PHA to inspect each unit under lease at least annually or biennially, depending on PHA policy, to confirm that the unit still meets HQS. The inspection may be conducted in conjunction with the family's annual reexamination but also may be conducted separately.

Special Inspections. A special inspection may be requested by the owner, the family, or a third party as a result of problems identified with a unit between annual inspections.

Quality Control Inspections. HUD requires that a sample of units be re-inspected by a supervisor or other qualified individual to ensure that HQS are being enforced correctly and uniformly by all inspectors.

Inspection of PHA-owned Units [24 CFR 982.352(b)]

DCHA must obtain the services of an independent entity to perform all HQS inspections in cases where an HCV family is receiving assistance in a DCHA-owned unit. A DCHA-owned unit is defined as a unit that is owned by the PHA that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by DCHA). The independent agency must communicate the results of each inspection to the family and DCHA. The independent agency must be approved by HUD, and may be the unit of general local government for DCHA jurisdiction (unless DCHA is itself the unit of general local government or an agency of such government).

Inspection Costs

DCHA may not charge the family or owner for unit inspections [24 CFR 982.405(e)]. In the case of inspections of DCHA-owned units, DCHA may compensate the independent agency from ongoing administrative fee for inspections performed. DCHA and the independent agency may not charge the family any fee or charge for the inspection [24 CFR.982.352(b)].

Notice and Scheduling

The family must allow DCHA to inspect the unit at reasonable times with reasonable notice [24 CFR 982.551(d)].

DCHA Policy

Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life threatening emergency, reasonable notice is considered to be not less than 48 hours. Inspections may be scheduled between 9:00 a.m. and 4:45 p.m. Generally inspections will be conducted on business days only. In the case of a life threatening emergency, DCHA will give as much notice as possible, given the nature of the emergency.

Attendance at inspections by owner and family.

HUD permits DCHA to set policy regarding family and owner presence at the time of inspection [HCV GB p. 10-27].

DCHA Policy

When a family occupies the unit at the time of inspection an adult family member 18 years of age or older must be present for the inspection. The presence of the owner or the owner's representative is encouraged but is not required.
At initial inspection of a vacant unit, DCHA will inspect the unit in the presence of the owner or owner's representative. Owner may also with the use of a lock box allow the inspection to be conducted without the owner present. The presence of a family representative is permitted, but is not required.

8-II.B. INITIAL HQS INSPECTION [24 CFR 982.401(a)]
Timing of Initial Inspections

HUD requires the unit to pass HQS before the effective date of the lease and HAP Contract. HUD requires DCHAs with fewer than 1,250 budgeted units to complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA). For PHAs with 1,250 or more budgeted units, to the extent practicable such inspection and determination must be completed within 15 days. The 15-day period is suspended for any period during which the unit is not available for inspection [982.305(b)(2)].

DCHA Policy
DCHA will complete the initial inspection; determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA). The owner is responsible for providing a current copy of the rental license-occupancy permit-Use and Occupancy permit prior to the execution of a contract.

Inspection Results and Re-inspections

DCHA Policy

If any HQS violations are identified, the owner will be notified in writing or e-mail of the deficiencies and be
given a time frame to correct them. If requested by the owner, the time frame for correcting the deficiencies may be extended by DCHA for good cause. DCHA will re-inspect the unit within 5 business days of the date the owner notifies DCHA that the required corrections have been made.
If the time period for correcting the deficiencies (or any DCHA-approved extension) has elapsed, or the unit fails HQS at the time of the re-inspection, DCHA will notify the owner and the family that the unit has been rejected and that the family must search for another unit. DCHA may agree to conduct a second re-inspection, for good cause, at the request of the family and owner.
Following a failed re-inspection, the family may submit a new Request for Tenancy Approval for the unit if the family has not found another unit by the time the owner completes all repairs and the family continues to wish to live in the unit.

Utilities
Generally, at initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the family will be responsible for paying.

DCHA Policy

If utility service is not available for testing at the time of the initial inspection, the DCHA will allow the utilities to be placed in service after the unit has met all other HQS requirements. DCHA will re-inspect the unit to confirm that utilities are operational before the HAP contract is executed by DCHA.

Appliances

DCHA Policy

If the family is responsible for supplying the stove and/or refrigerator, DCHA will allow the stove and refrigerator to be placed in the unit after the unit has met all other HQS requirements. The required appliances must be in place before the HAP contract is
executed by DCHA. DCHA will execute the HAP contract based upon a certification from the family that the appliances have been installed and are working. A confirmatory inspection will be scheduled within 30 days of HAP contract approval.

8.II.C. ANNUAL/BIENNIAL HQS INSPECTIONS [24 CFR 982.405(a);982.406 Notice PIH 2016-05

Each unit under HAP contract must be inspectedat least once per year. If a unit passes the initial HQS inspection and the subsequent annual HQS inspection, the unit may be considered for biennial inspections.
If a unit that is on a biennial inspection schedule is found to have a life-threatening HQS fail, the owner of that unit will be required to participate in annual inspections for all units for the period of 24 months before being returned to biennial inspections. This does not apply to life threatening HQS fails caused by tenants. One or more substantiated complaints will also require the owner of that unit to participate in annual inspections for all units for a period of 24 months before being returned to biennial inspections.

DCHA reserves the right to require inspections at any time.

DCHA Policy

If an adult family member cannot be present on the scheduled date, the family should request that DCHA reschedule the inspection.
DCHA may schedule an inspection more than 10 business days after the original date for good cause.

If the family misses the first scheduled appointment without requesting a new inspection date, DCHA will automatically schedule a second inspection. If the family misses two scheduled inspections without DCHA approval, DCHA will consider the family to have violated its obligation to make the unit available for inspection. At this time DCHA Housing Choice Voucher Specialist and or assigned staff for the tenant will send a stop payment letter to the tenant. This may result in termination of the family's assistance in accordance with Chapter 12.

8-II.D. SPECIAL INSPECTIONS [HCV GB p. 10-30]

Irrespective of the biennial inspection method provision. DCHA has a duty to inspect a unit when a participant family or government official reports a condition that violates HQS. If the condition is life-threating (i.e., DCHA would require the owner to make the repair within no more than 24 hours in accordance with 982.404(a)(3), then DCHA must inspect the unit within 24 hours of when DCHA receives the notification. If the condition is not life-threating (i.e., DCHA would require the owner to make the repair within no more than 30 calendar days) then DCHA must inspected the unit within 15 days of when DCHA receives the notification.

DCHA Policy

During a special inspection, DCHA generally will inspect only those deficiencies that were reported. However, the inspector will record any additional HQS deficiencies that are observed and will require the responsible party to make the necessary repairs.
If the annual inspection has been scheduled or is due within 90 days of the date the special inspection is scheduled DCHA may elect to conduct a full annual inspection.

8-II.E. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b), HCV GB p. 10-32]

HUD requires DCHA supervisor or other qualified person to conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of the HQS.

The unit sample must include only units that have been inspected within the preceding 3 months.

The selected sample will include:

- (1) each type of inspection (initial, annual, and special)
- (2) inspections completed by each inspector
- (3) units from a cross-section of neighborhoods.

A written analysis of the Quality Control Inspections completed will be prepared by the designated employee who performs the inspections.

The analysis will include:

- The Date of the inspection (Initial, Annual or Special
- The Name of the Inspector who performed the inspection
- The outcome of the Inspection, i.e. Pass, fail or inconclusive
- The Tenant's name
- The Owner's name
- The name of the Supervisor or other qualified person who performed the Q/C inspection
- The results of the Q/C inspection
- Comments
- End Result of the Q/C inspection

8.II.F. INSPECTION RESULTS AND REINSPECTIONS FOR UNITS UNDER HAP CONTRACT

Notification of Corrective Actions

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

DCHA Policy

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

When failures that are not life threatening are identified, DCHA will send the owner and the family a written notification of the inspection results within 5 business days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally not more than 30 days will be allowed for the correction.

The notice of inspection results will inform the owner that if life threatening conditions are not corrected within 24 hours, and non-life threatening conditions are not corrected within the specified time frame (or any DCHA-approved extension), the owner's HAP will be abated in accordance with DCHA policy (see 8-II.G.). Likewise, in the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any DCHA-approved extension, if applicable) the family's assistance will be terminated in accordance with DCHA policy (see Chapter 12).

Extensions

For conditions that are life-threatening, the DCHA cannot grant an extension to the 24 hour corrective action period. For conditions that are not life-threatening, DCHA may grant an exception to the required time frames for correcting the violation, if DCHA determines that an extension is appropriate [24 CFR 982.404].

DCHA Policy

Extensions will be granted in cases where DCHA has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner's control. Reasons may include, but are not limited to:

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

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

Re-inspections

DCHA Policy

In the case of initial inspections, DCHA is required to conduct an actual follow up on site inspection if the unit does not pass HQS pursuant to the initial inspection. Additionally, in the case of project based voucher, DCHA is required to conduct follow up inspections to determine if the HQS deficiency is corrected.

For annual and special inspections DCHA may verify that the deficiencies are completed either by a scheduled visit to the home or certifications from the landlord, tenant, contractor, or other licensed party in addition to the certifications may request a photo of the repair to be submitted with the certifications'. DCHA may request one or all of the above in lieu of the home visit.

Inspections with Life Threatening Conditions (please refer to 8.I.C of this chapter will be re-inspected at all times unless the condition can be verified through official means. Ex, verification from Utility Provider.

DCHA will conduct a re-inspection immediately following the end of the corrective period, or any DCHA approved extension.

The family and owner will be given reasonable notice of the re-inspection appointment. If the deficiencies have not been corrected by the time of the re-inspection, DCHA will send a notice of abatement to the owner, or in the case of family caused violations, a notice of termination to the family, in accordance with DCHA policies. If DCHA is unable to gain entry to the unit in order to conduct the scheduled re-inspection, DCHA will consider the family to have violated its obligation to make the unit available for inspection; at this time the inspector will report this to the secretary who will send notice to the case manager for the resident, a stop payment letter will then be sent to the resident. This may result in termination of the family's assistance in accordance with Chapter 12.

8.II.G. SELF CERTIFICATION

Self-Certification is available when there are 4 or less non-life-threatening deficiencies. The tenant and the landlord must sign the self-certification form and submit it within 21 days of the failed inspection. If the form is not submitted within the 21 days, re-inspection of the unit will be performed within 30 days of the inspection date.

False self-certification may lead to the landlord being banned from participation in the program.

8.II.H BIENNIAL INSPECTIONS

Biennial inspections may be performed on units that passed the Annual Inspection within a two year period. Any unit that did not pass the annual inspection will continue to be inspected on a yearly basis.

8.II.J. ENFORCING OWNER COMPLIANCE

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

HAP Abatement

If an owner fails to correct HQS deficiencies by the time specified by the DCHA, HUD requires DCHA to abate housing assistance payments no later than the first of the month following the specified correction period (including any approved extension) No retroactive payments will be made to the owner for the period of time the rent was abated. Owner rents are not abated because of HQS failures that are the family's responsibility.

DCHA Policy

DCHA will make all HAP abatements effective the day the unit fails the re-inspection DCHA will inspect abated units within 7 business days of the owner's notification that the work has been completed. Payments will resume on the day the unit passes inspection. During any abatement period the family continues to be responsible for its share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.

HAP Contract Termination

DCHA must decide how long the abatement period will continue before the HAP contract will be terminated. DCHA should not terminate the contract until the family finds another unit, provided the family does so in a reasonable time and must give the owner reasonable notice of the termination. DCHA will issue a voucher to permit the family to move to another unit as described in Chapter 10.

DCHA Policy

The maximum length of time that a HAP may be abated is 90 days. However, if the owner completes corrections and notifies DCHA before the termination date of the HAP contract, DCHA may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.
Reasonable notice of HAP contract termination by DCHA is 30 days.

8.II.K. ENFORCING FAMILY COMPLIANCE WITH HQS [24 CFR 982.404(b)]

Families are responsible for correcting any HQS violations listed in paragraph 8.I.D. If the family fails to correct a violation within the period allowed by DCHA (and any extensions), DCHA will terminate the family's assistance, according to the policies described in Chapter 12. If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair.

PART III: RENT REASONABLENESS [24 CFR 982.507]
8-III.A. OVERVIEW

No HAP contract can be approved until the PHA has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program. HUD regulations define a reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the

same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises. This part explains the method used to determine whether a unit's rent is reasonable.

DCHA-owned Units [24 CFR 982.352(b)]

In cases where an HCV family is receiving assistance in a DCHA-owned unit, DCHA must obtain the services of an independent entity to determine rent reasonableness in accordance with program requirements, and to assist the family in negotiating the contract rent when the family requests assistance. A DCHA-owned unit is defined as a unit that is owned by DCHA that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by DCHA). The independent agency must communicate the results of the rent reasonableness determination to the family and DCHA. The independent agency must be approved by HUD, and may be the unit of general local government for DCHA jurisdiction (unless DCHA is itself the unit of general local government or an agency of such government).

8-III.B. WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED

Owner-initiated Rent Determinations

DCHA must make a rent reasonableness determination at initial occupancy and whenever the owner requests a rent adjustment.
The owner and family first negotiate the rent for a unit. DCHA (or independent agency in the case of DCHA-owned units) will assist the family with the negotiations upon request. At initial occupancy DCHA must determine whether the proposed rent is reasonable before a HAP Contract is signed. The owner must not change the rent during the initial lease term. Subsequent requests for rent adjustments must be consistent with the lease between the owner and the family. Rent increases will not be approved unless any failed items identified by the most recent HQS inspection have been corrected.

DCHA Policy

After the initial occupancy period, the owner may request a rent adjustment in accordance with the owner's lease. For rent increase requests after initial lease-up, DCHA may request owners to provide information about the rents charged for other units on the premises, if the premises include more than 4 units. In evaluating the proposed rents in comparison to other units on the premises DCHA will consider unit size and length of tenancy in the other units.
DCHA will determine whether the requested increase is reasonable within 10 business days of receiving the request from the owner. The owner will be notified of the

determination in writing.
All rent adjustments will be effective the first of the month following 60 days after DCHA's receipt of the owner's request or on the date specified by the owner, whichever is later. Requests for rental increases cannot be submitted more than once per year.

DCHA- and HUD-Initiated Rent Reasonableness Determinations

HUD requires DCHA to make a determination of rent reasonableness (even if the owner has not requested a change) if there is a 5 percent decrease in the Fair Market Rent that goes into effect at least 60 days before the contract anniversary date. HUD also may direct DCHA to make a determination at any other time. DCHA may decide that a new determination of rent reasonableness is needed at any time.

DCHA Policy

In addition to the instances described above, DCHA will make a determination of rent reasonableness at any time after the initial occupancy period if: (1) DCHA determines that the initial rent reasonableness determination was in error or (2) the PHA determines that the information provided by the owner about the unit or other units on the same premises was incorrect.

8-III.C. HOW COMPARABILITY IS ESTABLISHED

Factors to Consider

HUD requires DCHA to take into consideration the factors listed below when determining rent comparability. DCHA may use these factors to make upward or downward adjustments to the rents of comparison units when the units are not identical to the HCV-assisted unit.
ϒ Location and age
ϒ Unit size including the number of rooms and square footage of rooms
ϒ The type of unit including construction type (e.g., single family, duplex, garden, low-rise, high-rise)
ϒ The quality of the units including the quality of the original construction, maintenance and improvements made.
ϒ Amenities, services, and utilities included in the rent

Units that Must Not be Used as Comparable
Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that imposes rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance, Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects, HOME or Community Development Block Grant (CDBG) program assisted units in which the rents are subsidized; units subsidized through federal, state, or local tax credits; units subsidized by the Department of Agriculture rural housing programs, and units that are rent-controlled by local ordinance.

Rents Charged for Other Units on the Premises

The Request for Tenancy Approval (HUD-52517) requires owners to provide information, on the form itself, about the rent charged for other unassisted comparable units on the premises if the premises include more than 4 units.
By accepting the PHA payment each month the owner certifies that the rent is not more

than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give DCHA information regarding rents charged for other units on the premises.

8-III.D . DCHA RENT REASONABLENESS METHODOLOGY
How Market Data is Collected

DCHA Policy

DCHA will collect and maintain data on market rents in DCHA's jurisdiction. Information sources include newspapers, realtors, market surveys, inquiries of owners and other available sources. The data will be maintained by bedroom size and market areas. Market areas may be defined by zip codes, census tract, neighborhood, and identifiable natural or man-made boundaries. The data will be updated on an ongoing basis and rent information that is more than 24 months old will be eliminated from the database.

How Rents are Determined

DCHA Policy

The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units in the same market area. DCHA will develop a range of prices for comparable units by bedroom size within defined market areas. Units proposed for HCV assistance will be compared to the units within this rent range. Because units may be similar, but not exactly like the unit proposed for HCV assistance, DCHA may make adjustments to the range of prices to account for these differences.
The adjustment must reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas).
Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom).
The adjustment must reflect the rental value of the difference – not its construction costs (e.g., it might cost $20,000 to put on a new roof, but the new roof might not make any difference in what a tenant would be willing to pay because rents units are presumed to have functioning roofs).
When a comparable project offers rent concessions (e.g., first month rent-free, or reduced rent) reported monthly rents will be adjusted accordingly. For example, if a comparable project reports rents of $500/month but new tenants receive the first month's rent free, the actual rent for the unit would be calculated as follows: $500 x 11 months = 5500/12

months = actual monthly rent of $488.
DCHA will notify the owner of the rent DCHA can approve based upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area. DCHA will confirm the accuracy of the information provided and consider this additional information when making rent determinations. The owner must submit any additional information within 5 business days of DCHA's request for information or the owner's request to submit information.

EXHIBIT 8-1: OVERVIEW OF HUD HOUSING QUALITY STANDARDS

Note: This document provides an overview of HQS. For more detailed information see the following documents:

24 CFR 982.401, Housing Quality Standards (HQS)
Housing Choice Voucher Guidebook, Chapter 10.
HUD Housing Inspection Manual for Section 8 Housing
HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)

Sanitary Facilities-The dwelling unit must include sanitary facilities within the unit. The sanitary facilities must be usable in privacy and must be in proper operating condition and adequate for personal cleanliness and disposal of human waste.
Food Preparation and Refuse Disposal-The dwelling unit must have space and equipment suitable for the family to store, prepare, and serve food in a sanitary manner.
Space and Security-The dwelling unit must provide adequate space and security for the family. This includes having at least one bedroom or living/sleeping room for each two persons.
Thermal Environment-The unit must have a safe system for heating the dwelling unit. Air conditioning is not required but if provided must be in proper operating condition. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Portable electric room heaters or kitchen stoves with built-in heating units are not acceptable as a primary source of heat for units located in climatic areas where permanent heat systems are required.
Illumination and Electricity-Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. Minimum standards are set for different types of rooms. Once the minimum standards are met, the number, type and location of electrical sources are a matter of tenant preference.
Structure and Materials-The dwelling unit must be structurally sound. Handrails are required when four or more steps (risers) are present, and protective railings are required when porches, balconies, and stoops are thirty inches or more off the ground. The elevator servicing the unit must be working [if there is one]. Manufactured homes must have proper tie-down devices capable of surviving wind loads common to the area.
Interior Air Quality-The dwelling unit must be free of air pollutant levels that threaten the occupants' health. There must be adequate air circulation in the dwelling unit. Bathroom areas must have one openable window or other adequate ventilation. Any sleeping room must have at least one window. If a window was designed to be opened, it must be in proper working order.
Water Supply-The dwelling unit must be served by an approved public or private water supply that is sanitary and free from contamination. Plumbing fixtures and pipes must be free of leaks and threats to health and safety.

Lead-Based Paint-Lead-based paint requirements apply to dwelling units built prior to 1978 that are occupied or can be occupied by families with children under six years of age, excluding zero bedroom dwellings. Owners must:

Disclose known lead-based paint hazards to prospective tenants before the lease is signed, provide all prospective families with "Protect Your Family from Lead in Your Home",
Stabilize deteriorated painted surfaces and conduct hazard reduction activities when identified by DCHA

Notify tenants each time such an activity is performed

Conduct all work in accordance with HUD safe practices

As part of ongoing maintenance ask each family to report deteriorated paint.

For units occupied by environmental intervention blood lead level (lead poisoned) children under six years of age, a risk assessment must be conducted (paid for by DCHA). If lead hazards are identified during the risk assessment, the owner must complete hazard reduction activities. See HCV GB p. 10-15 for a detailed description of these requirements. For additional information on lead-based paint requirements see 24 CFR 35, Subparts A, B, M, and R.

Access-Use and maintenance of the unit must be possible without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire.

Site and Neighborhood-The site and neighborhood must be reasonably free from disturbing noises and reverberations, excessive trash or vermin, or other dangers to the health, safety, and general welfare of the occupants.

Sanitary Condition-The dwelling unit and its equipment must be in sanitary condition and free of vermin and rodent infestation. The unit must have adequate barriers to prevent infestation.

Smoke Detectors-Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any person with a hearing impairment, smoke detectors must have an appropriate alarm system as specified in NFPA 74 (or successor standards).

Hazards and Heath/Safety-The unit, interior and exterior common areas accessible to the family, the site, and the surrounding neighborhood must be free of hazards to the family's health and safety.

EXHIBIT 8-2: SUMMARY OF TENANT PREFERENCE AREAS RELATED TO HOUSING QUALITY

Note: This document provides an overview of unit and site characteristics and conditions for which the family determines acceptability. For more detailed information see the following documents:

Housing Choice Voucher Guidebook, Chapter 10.

HUD Housing Inspection Manual for Section 8 Housing

HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form

HUD-52580-A (9/00) Provided the minimum housing quality standards have been met, HUD permits the family to determine whether the unit is acceptable with regard to the following characteristics.

Sanitary Facilities. The family may determine the adequacy of the cosmetic condition and quality of the sanitary facilities, including the size of the lavatory, tub, or shower; the location of the sanitary facilities within the unit; and the adequacy of the water heater.

Food Preparation and Refuse Disposal. The family selects size and type of equipment it finds acceptable. When the family is responsible for supplying cooking appliances, the family may choose to use a microwave oven in place of a conventional oven, stove, or range. When the owner is responsible for providing cooking appliances, the owner may offer a microwave oven in place of an oven, stove, or range only if other subsidized and unsubsidized units on the premises are furnished with microwave ovens only. The adequacy of the amount and type of storage space, the cosmetic conditions of all equipment, and the size and location of the kitchen are all determined by the family.

Space and Security. The family may determine the adequacy of room sizes and room locations. The family is also responsible for deciding the acceptability of the type of door and window locks.

Energy conservation items. The family may determine whether the amount of insulation, presence of absence of storm doors and windows and other energy conservation items are acceptable.

Illumination and Electricity. The family may determine whether the location and the number of outlets and fixtures (over and above those required to meet HQS standards) are acceptable or if the amount of electrical service is adequate for the use of appliances, computers, or stereo equipment.

Structure and Materials. Families may determine whether minor defects, such as lack of paint, or worn flooring or carpeting will affect the livability of the unit.

Indoor Air. Families may determine whether window and door screens, filters, fans, or other devices for proper ventilation are adequate to meet the family's needs. However, if screens are present they must be in good condition.

Sanitary Conditions. The family determines whether the sanitary conditions in the unit, including minor infestations, are acceptable.

Neighborhood conditions. Families may determine whether neighborhood conditions such as the presence of drug activity, commercial enterprises, and convenience to shopping will affect the livability of the unit. Families have no discretion with respect to lead-based paint standards and smoke detectors.

Chapter 9

GENERAL LEASING POLICIES
INTRODUCTION

Chapter 9 covers the lease-up process from the family's submission of a Request for Tenancy Approval to execution of the HAP contract.
In order for DCHA to assist a family in a particular dwelling unit, or execute a Housing Assistance Payments (HAP) contract with the owner of a dwelling unit, DCHA must determine that all the following program requirements are met:

The unit itself must qualify as an eligible unit [24 CFR 982.305(a)]
The unit must be inspected by the PHA and meet the Housing Quality Standards (HQS) [24 CFR 982.305(a)]
∴ The lease offered by the owner must be approvable and must include the required Tenancy Addendum [24 CFR 982.305(a)]
∴ The rent to be charged by the owner for the unit must be reasonable [24 CFR 982.305(a)]
∴ The owner must be an eligible owner, approvable by DCHA, with no conflicts of interest [24 CFR 982.306]
∴ For families initially leasing a unit only: Where the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family cannot exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]

9-I.A. TENANT SCREENING

DCHA has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy [24 CFR 982.307(a)(1)].

DCHA may elect to screen applicants for family behavior or suitability for tenancy. See Chapter 3 for a discussion of DCHA's policies with regard to screening applicant families for program eligibility [24 CFR 982.307(a)(1)].

The owner is responsible for screening and selection of the family to occupy the owner's unit. At or before DCHA approval of the tenancy, the PHA must inform the owner that screening and selection for tenancy is the responsibility of the owner [24 CFR 982.307(a)(2)]. DCHA must also inform the owner or manager or his/her rights and obligations under the Violence against Women Act of 2013 (VAWA) [24 CFR 5.2005(a)(2)].

DCHA must provide the owner with the family's current and prior address (as shown in the PHA records) and the name and address (if known to the PHA) of the landlord at the family's current and prior address [24 CFR 982.307(b)(1)].

DCHA is permitted, but not required, to offer the owner other information in DCHA's possession about the family's tenancy [24 CFR 982.307(b)(2)].

DCHA's policy on providing information to the owner must be included in the family's briefing packet [24 CFR 982.307(b)(3)].

DCHA Policy

DCHA will not screen applicants for family behavior or suitability for tenancy.
DCHA will not provide additional screening information to the owner.

9-I.B. REQUESTING TENANCY APPROVAL [Form HUD-52517]

After the family is issued a voucher, the family must locate an eligible unit, with an owner or landlord willing to participate in the voucher program. Once a family finds a suitable unit and the owner is willing to lease the unit under the program, the owner and the family must request DCHA to approve the assisted tenancy in the selected unit.
The owner and the family must submit two documents to DCHA:
Completed Request for Tenancy Approval (RTA) – Form HUD-52517
Copy of the proposed lease, including the HUD-prescribed Tenancy Addendum – Form HUD-52641-A The RTA contains important information about the rental unit selected by the family, including the unit address, number of bedrooms,(unit size must match the unit size in the recorder of deeds) structure type, year constructed, utilities included in the rent, and the requested beginning date of the lease, necessary for DCHA to determine whether to approve the assisted tenancy in this unit.
Owners must certify to the most recent amount of rent charged for the unit and provide an explanation for any difference between the prior rent and the proposed rent.
Owners must certify that they are not the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless DCHA has granted a request for reasonable accommodation for a person with disabilities who is a member of the tenant household.

For units constructed prior to 1978, owners must either 1) certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or 2) attach a lead-based paint disclosure statement. Both the RTA and the proposed lease must be submitted no later than the expiration date stated on the voucher. [HCV GB p.8-15].

DCHA Policy

The RTA must be signed by both the family and the owner.
Completed RTA (including the proposed dwelling lease) must be submitted as hard copies, in-person.
The family may not submit, and DCHA will not process, more than one (1) RTA at a time.
When the family submits the RTA DCHA will review the RTA for completeness.
If the RTA is incomplete (including lack of signature by family, owner, or both), or if the dwelling lease is not submitted with the RTA, DCHA will notify the family and the owner of the deficiencies.

Missing information and/or missing documents will only be accepted as hard copies, in-person, by E-MAIL, mail, or by fax. DCHA will not accept missing information over the phone.
When the family submits the RTA and proposed lease, DCHA will also review the terms of the RTA for consistency with the terms of the proposed lease.
If the terms of the RTA are not consistent with the terms of the proposed lease, DCHA will notify the family and the owner of the discrepancies.
Corrections to the terms of the RTA and/or the proposed lease will only be accepted as hard copies, in-person, by mail or by fax. DCHA will not accept corrections by phone.

Because of the time sensitive nature of the tenancy approval process, DCHA will attempt to communicate with the owner and family by phone, fax, or email. DCHA will use mail when the parties can't be reached by phone, fax, or email.

9-I.C. OWNER PARTICIPATION

DCHA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where DCHA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program [24 CFR 982.306(e)]
See Chapter 13 for a full discussion of owner qualification to participate in the HCV program.

9-I.D. ELIGIBLE UNITS

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the voucher program. Generally, a voucher-holder family may choose any available rental dwelling unit on the market in DCHA's jurisdiction. This includes the dwelling unit they are currently occupying.

Ineligible Units [24 CFR 982.352(a)]

DCHA may not assist a unit under the voucher program if the unit is a public housing or Indian housing unit; a unit receiving project-based assistance under section 8 of the 1937 Act (42 U.S.C. 1437f); nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services; college or other school dormitories; units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions; a unit occupied by its owner or by a person with any interest in the unit.

DCHA-Owned Units [24 CFR 982.352(b)]

Otherwise eligible units that are owned or substantially controlled by DCHA issuing the voucher may also be leased in the voucher program. In order for DCHA-owned unit to be leased under the voucher program, the unit must not be ineligible housing and DCHA must inform the

family, both orally and in writing, that the family has the right to select any eligible unit available for lease and that the family is free to select DCHA-owned unit without any pressure or steering by DCHA.

Special Housing Types [24 CFR 982 Subpart M]

HUD regulations permit, but do not generally require, DCHA to permit families to use voucher assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. These special housing types include single room occupancy (SRO) housing, congregate housing, group home, shared housing, manufactured home space (where the family owns the manufactured home and leases only the space), cooperative housing and homeownership option. See Chapter 15 for specific information and policies on any of these housing types that DCHA has chosen to allow. The regulations do require DCHA to permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

Duplicative Assistance [24 CFR 982.352(c)]

A family may not receive the benefit of HCV tenant-based assistance while receiving the benefit of any of the following forms of other housing subsidy, for the same unit or for a different unit:

Public or Indian housing assistance;

Other Section 8 assistance (including other tenant-based assistance);

Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);

Section 101 rent supplements;

ection 236 rental assistance payments;

Tenant-based assistance under the HOME Program;

Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration);

Any local or State rent subsidy;

Section 202 supportive housing for the elderly;

Section 811 supportive housing for persons with disabilities; (11) Section 202 projects for non-elderly persons with disabilities (Section 162 assistance); or

Any other duplicative federal, State, or local housing subsidy, as determined by HUD. For this purpose, 'housing subsidy' does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

Housing Quality Standards (HQS) [24 CFR 982.305 and 24 CFR 982.401]

In order to be eligible, the dwelling unit must be in decent, safe and sanitary condition. This determination is made using HUD's Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD. The owner is responsible for providing a current copy of the rental license-occupancy permit-Use and Occupancy permit prior to the execution of a contract.

Unit Size

In order to be eligible, the dwelling unit must be appropriate for the number of persons in the household. A family must be allowed to lease an otherwise acceptable dwelling unit with fewer bedrooms than the number of bedrooms stated on the voucher issued to the family, provided the unit meets the applicable HQS space requirements [24 CFR 982.402(d)]. The family must be allowed to lease an otherwise acceptable dwelling unit with more bedrooms than the number of bedrooms stated on the voucher issued to the family. See Chapter 5 for a full discussion of subsidy standards. The unit size must match the unit size in the Recorder of Deeds.

Rent Reasonableness [24 CFR 982.305 and 24 CFR 982.507]

In order to be eligible, the dwelling unit must have a reasonable rent. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See Chapter 8 for a full discussion of rent reasonableness and the rent reasonableness determination process.

Rent Burden [24 CFR 982.508]

Where a family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the dwelling unit rent must be at a level where the family's share of rent does not exceed 40 percent of the family's monthly adjusted income. See Chapter 6 for a discussion of calculation of gross rent, the use of payment standards, and calculation of family income, family share of rent and HAP.

9-I.E. LEASE AND TENANCY ADDENDUM

The family and the owner must execute and enter a written dwelling lease for the assisted unit. This written lease is a contract between the tenant family and the owner; DCHA is not a party to this contract. The tenant must have legal capacity to enter a lease under State and local law. 'Legal capacity' means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner [24 CFR 982.308(a)]

Lease Form and Tenancy Addendum [24 CFR 982.308]

If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be in such standard form. If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease. The HAP contract prescribed by HUD contains the owner's certification that if the owner uses a standard lease form for rental to unassisted tenants, the lease is in such standard form. All provisions in the HUD-required Tenancy Addendum must also be added word-for-word to the owner's standard lease form, for use with the assisted family. The Tenancy Addendum includes the tenancy requirements for the program and the composition of the household as approved by DCHA. As a part of the lease, the tenant shall have the right to enforce the Tenancy Addendum against the

owner and the terms of the Tenancy Addendum shall prevail over any other provisions of the lease.

DCHA Policy

DCHA does not provide a model or standard dwelling lease for owners to use in the HCV program.

Lease Information [24 CFR 982.308(d)]

The assisted dwelling lease must contain all the required information as listed below:
The names of the owner and the tenant:
The unit rented (address, apartment number, and any other information needed to identify the contract unit)
The term of the lease (initial term and any provisions for renewal)
The amount of the monthly rent to owner
A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family

Term of Assisted Tenancy

The initial term of the assisted dwelling lease must be for at least one year [24 CFR 982.309].
The initial lease term is also stated in the HAP contract.
The HUD program regulations permit DCHA to approve a shorter initial lease term if certain conditions are met.

DCHA Policy

DCHA will not approve an initial lease term of less than one (1) year.
During the initial term of the lease, the owner may not raise the rent to owner [24 CFR 982.309].
Any provisions for renewal of the dwelling lease will be stated in the dwelling lease [HCV Guidebook, pg. 8-22]. There are no HUD requirements regarding any renewal extension terms, except that they must be in the dwelling lease if they exist.

Security Deposit [24 CFR 982.313 (a) and (b)]

The owner may collect a security deposit from the tenant. DCHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants. However, if DCHA chooses to do so, language to this effect must be added to Part A of the HAP contract [Form HUD-52641].

DCHA Policy

DCHA will allow the owner to collect any security deposit amount the owner determines is appropriate. Therefore, no modifications to the HAP contract will be

necessary.

Separate Non-Lease Agreements between Owner and Tenant

Owners may not demand or accept any rent payment from the family in excess of the rent to the owner minus DCHA's housing assistance payments to the owner [24 CFR 982.451(b)(4)]. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)].

DCHA Policy

DCHA permits owners and families to execute separate, non-lease agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease.
Any items, appliances, or other services that are customarily provided to unassisted families as part of the dwelling lease with those families or are permanently installed in the dwelling unit must be included in the dwelling lease for the assisted family. These items, appliances or services cannot be placed under a separate non-lease agreement between the owner and family. Side payments for additional rent, or for items, appliances or services customarily provided to unassisted families as part of the dwelling lease for those families, are prohibited.
Any items, appliances, or other services that are not customarily provided to unassisted families as part of the dwelling lease with those families, are not permanently installed in the dwelling unit and where the family has the sole option of not utilizing the item, appliance or service, may be included in a separate non-lease agreement between the owner and the family.

The family is not liable and cannot be held responsible under the terms of the assisted dwelling lease for any charges pursuant to a separate non-lease agreement between the owner and the family. Non-payment of any charges pursuant to a separate non-lease agreement between the owner and the family cannot be a cause for eviction or termination of tenancy under the terms of the assisted dwelling lease.
Separate non-lease agreements that involve additional items, appliances or other services may be considered amenities offered by the owner and may be taken into consideration when determining the reasonableness of the rent for the property.

DCHA Review of Lease

DCHA will review the dwelling lease for compliance with all applicable requirements.

DCHA Policy

If the dwelling lease is incomplete or incorrect, DCHA will notify the family and the owner of the deficiencies. Missing and corrected lease information will only be accepted as hard copies, in-person, by mail, or by fax. DCHA will not accept missing and

corrected information over the phone Because the initial leasing process is time-sensitive, DCHA will attempt to communicate with the owner and family by phone, fax, or email. DCHA will use mail when the parties can't be reached by phone, fax, or email.
DCHA is permitted, but is not required, to review the lease to determine if the lease complies with State and local law and is permitted to decline to approve the tenancy if DCHA determines that the lease does not comply with State or local law [24 CFR 982.308(c)]

DCHA Policy

DCHA will not review the owner's lease for compliance with state/local law.

9-I.F. TENANCY APPROVAL [24 CFR 982.305]

After receiving the family's Request for Tenancy Approval, with proposed dwelling lease, DCHA must promptly notify the family and owner whether the assisted tenancy is approved. Prior to approving the assisted tenancy and execution of a HAP contract, the DCHA must ensure that all required actions and determinations, discussed in Part I of this chapter have been completed.
These actions include ensuring that the unit is eligible; the unit has been inspected by DCHA and meets the Housing Quality Standards (HQS); the lease offered by the owner is approvable and includes the required Tenancy Addendum; the rent to be charged by the owner for the unit must is reasonable; where the family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]; the owner is an eligible owner, not disapproved by DCHA, with no conflicts of interest [24 CFR 982.306]; the family and the owner have executed the lease, including the Tenancy Addendum, and the lead-based paint disclosure information [24 CFR 982.305(b)].

DCHA Policy

If the terms of the RTA/proposed lease are changed for any reason, including but not limited to negotiation with the PHA, DCHA will obtain corrected copies of the RTA and proposed lease, signed by the family and the owner.
Corrections to the RTA/proposed lease will only be accepted as hard copies, in person, by mail, or by fax. DCHA will not accept corrections over the phone.
If DCHA determines that the tenancy cannot be approved for any reason, the owner and the family will be notified in writing and given the opportunity to address any reasons for disapproval. DCHA will instruct the owner and family of the steps that are necessary to approve the tenancy.
Where the tenancy is not approvable because the unit is not approvable, the family must continue to search for eligible housing within the timeframe of the issued voucher.
If the tenancy is not approvable due to rent affordability (including rent burden and rent reasonableness), DCHA will attempt to negotiate the rent with the owner. If a new, approvable rent is negotiated, the tenancy will be approved. If the owner is not willing to negotiate an approvable rent, the family must continue

to search for eligible housing within the timeframe of the issued voucher.

9-I.G. HAP CONTRACT EXECUTION [24 CFR 982.305]

The HAP contract is a written agreement between DCHA and the owner of the dwelling unit occupied by a housing choice voucher assisted family. Under the HAP contract, DCHA agrees to make housing assistance payments to the owner on behalf of a specific family occupying a specific unit and obliges the owner to comply with all program requirements.
The HAP contract format is prescribed by HUD.
If DCHA has given approval for the family of the assisted tenancy, the owner and DCHA execute the HAP contract.
The term of the HAP contract must be the same as the term of the lease [24 CFR 982.451(a)(2)].
DCHA is permitted to execute a HAP contract even if the funding currently available does not extend for the full term of the HAP contract.
DCHA must make a best effort to ensure that the HAP contract is executed before the beginning of the lease term. Regardless, the HAP contract must be executed no later than 60 calendar days from the beginning of the lease term.
DCHA may not pay any housing assistance payment to the owner until the HAP contract has been executed. If the HAP contract is executed during the period of 60 calendar days from the beginning of the lease term, DCHA will pay housing assistance payments after execution of the HAP contract (in accordance with the terms of the HAP contract), to cover the portion of the lease term before execution of the HAP contract (a maximum of 60 days).
Any HAP contract executed after the 60 day period is void, and DCHA may not pay any housing assistance payment to the owner.

DCHA Policy

The owner and DCHA will execute the HAP contract. DCHA will not execute the HAP contract until the owner has submitted IRS form W-9. The PHA will ensure that the owner receives a copy of the executed HAP contract.

9-I.H. CHANGES IN LEASE OR RENT [24 CFR 982.308]

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give DCHA a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter.
Generally, DCHA approval of tenancy and execution of a new HAP contract are not required for changes in the lease. However, under certain circumstances, voucher assistance in the unit shall not be continued unless DCHA has approved a new tenancy in accordance with program requirements and has executed a new HAP contract with the owner. These circumstances include:
ϒ Changes in lease requirements governing tenant or owner responsibilities for utilities or

appliances
Changes in lease provisions governing the term of the lease
The family moves to a new unit, even if the unit is in the same building or complex
In these cases, if the HCV assistance is to continue, the family must submit a new Request for Tenancy Approval (RTA) along with a new dwelling lease containing the altered terms. A new tenancy must then be approved in accordance with this chapter.

Where the owner is changing the amount of rent, the owner must notify DCHA of any changes in the amount of rent to owner at least 60 days before any such changes go into effect [24 CFR 982.308(g)(4)]. DCHA will agree to such an increase only if the amount of the rent to owner is considered reasonable according to the rent reasonableness standards discussed in Chapter 8. If the requested rent is not found to be reasonable, the owner must either reduce the requested rent increase or give the family notice in accordance with the terms of the lease.
No rent increase is permitted during the initial term of the lease [24 CFR 982.309(a)(3)].

DCHA Policy

Where the owner is requesting a rent increase, DCHA will determine whether the requested increase is rent reasonable. The owner will be notified of the determination in writing. Rent increases will go into effect on the first of the month following the 60 day period after the owner notifies DCHA of the rent change or on the date specified by the owner, whichever is later.

Chapter 10

MOVING WITH CONTINUED ASSISTANCE AND PORTABILITY

INTRODUCTION

Freedom of choice is a hallmark of the housing choice voucher (HCV) program. In general, therefore, HUD regulations impose few restrictions on where families may live or move with HCV assistance. This chapter sets forth HUD regulations and PHA policies governing moves within or outside DCHA's jurisdiction in two parts:

Part I: Moving with Continued Assistance. This part covers the general rules that apply to all moves by a family assisted under DCHA's HCV program, whether the family moves to another unit within DCHA's jurisdiction or to a unit outside DCHA's jurisdiction under portability.

Part II: Portability. This part covers the special rules that apply to moves by a family under portability, whether the family moves out of or into DCHA's jurisdiction. This part also covers the special responsibilities that DCHA has under portability regulations and procedures.

PART I. MOVING WITH CONTINUED ASSISTANCE

10-I.A. ALLOWABLE MOVES

HUD regulations list five conditions under which an assisted family is allowed to move to a new unit with continued assistance. Permission to move is subject to the restrictions set forth in section 10-I.B.

- The family has a right to terminate the lease on notice to the owner (for the owner's breach or otherwise) and has given a notice of termination to the owner in accordance with the lease [24 CFR 982.314(b)(3)]. If the family terminates the lease on notice to the owner, the family must give DCHA a copy of the notice at the same time [24 CFR 982.314(d)(1)].
- The lease for the family's unit has been terminated by mutual agreement of the owner and the family [24 CFR 982.314(b)(1)(ii)].

DCHA Policy

If the family and the owner mutually agree to terminate the lease for the family's unit, the family must give DCHA a copy of the termination agreement.

The family must obtain a clearance letter from the owner stating that they are current with their portion of the rental obligation along with a letter stating that the owner did a preliminary inspection of the unit to determine that there is no damage beyond normal wear and tear.

The owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family [24 CFR 982.314(b)(2)]. The family must give DCHA a copy of any owner eviction notice [24 CFR 982.551(g)].

DCHA has terminated the assisted lease for the family's unit for the owner's breach [24 CFR 982.314(b)(1)(i)].

DCHA determines that the family's current unit does not meet the HQS space standards because of an increase in family size or a change in family composition. In such cases, DCHA must issue the family a new voucher, and the family DCHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for the family, DCHA must terminate the HAP contract for the family's old unit in accordance with the HAP contract terms and must notify both the family and the owner of the termination. The HAP contract terminates at the end of the calendar month that follows the calendar month in which DCHA gives notice to the owner. [24 CFR 982.403(a) and (c)]

10-I.B. RESTRICTIONS ON MOVES

A family's right to move is generally contingent upon the family's compliance with program requirements [24 CFR 982.1(b)(2)]. HUD specifies two conditions under which DCHA may deny a family permission to move and two ways in which DCHA may restrict moves by a family.

Denial of Moves

HUD regulations permit the DCHA to deny a family permission to move under the following conditions:

Insufficient Funding

DCHA may deny a family permission to move if DCHA does not have sufficient funding for continued assistance [24 CFR 982.314(e)(1)].

DCHA Policy

DCHA will deny a family permission to move on grounds that DCHA does not have sufficient funding for continued assistance if (a) the move is initiated by the family, not the owner or DCHA; (b) DCHA can demonstrate that the move will, in fact, result in higher subsidy costs; and (c) DCHA can demonstrate, through a detailed cost-reduction plan based on reasonable assumptions, that it does not have sufficient funding in its annual budget to accommodate the higher subsidy costs. This policy applies to moves within DCHA's jurisdiction as well as to moves outside it under portability.

Grounds for Denial or Termination of Assistance

DCHA has grounds for denying or terminating the family's assistance [24 CFR 982.314(e)(2)].

DCHA Policy

If DCHA has grounds for denying or terminating a family's assistance, DCHA will act on those grounds in accordance with the regulations and policies set forth in Chapters 3 and 12, respectively. In general, it will not deny a family permission to move for this

reason; however, it retains the discretion to do so under special circumstances.

Restrictions on Elective Moves [24 CFR 982.314(c)]

HUD regulations permit DCHA to prohibit any elective move by a participant family during the family's initial lease term. They also permit DCHA to prohibit more than one elective move by a participant family during any 12-month period.

DCHA policy

- DCHA will deny a family permission to make an elective move during the family's initial lease term. This policy applies to moves within DCHA's jurisdiction or outside it under portability.
- DCHA will also deny a family permission to make more than one elective move during any 12 month period. This policy applies to all assisted families residing in DCHA's jurisdiction.
- DCHA will consider exceptions to these policies for the following reasons:
  - To protect the health or safety of a family member (e.g. lead-based hazards, domestic violence, witness protection programs),
  - to accommodate a change in family circumstances (e.g. new employment, school attendance in a distant area), or
  - to address an emergency situation over which a family has no control.

- In addition, DCHA will allow exceptions to these policies for purposes of reasonable accommodation of a family member who is a person with disabilities.

10-I.C. MOVING PROCESS

Notification

If a family wishes to move to a new unit, the family must notify DCHA and the owner before moving out of the old unit or terminating the lease on notice to the owner [24 CFR 982.314(d)(2)]. If the family wishes to move to a unit outside DCHA's jurisdiction under portability, the notice to DCHA must specify the area where the family wishes to move [24 CFR 982.314(d)(2), Notice PIH 2004-12]. The notices must be in writing [24 CFR 982.5].

Approval

DCHA Policy
Upon receipt of a family's notification that it wishes to move, DCHA will determine whether the move is approvable in accordance with the regulations and policies set forth in sections 10-I.A and 10-I.B.

Reexamination of Family Income and Composition

DCHA Policy

For families approved to move to a new unit within DCHA's jurisdiction, DCHA will perform a new annual reexamination in accordance with the policies set forth in Chapter 11 of this plan. For families moving into or families approved to move out of DCHA's jurisdiction under portability, DCHA will follow the policies set forth in Part II of this chapter.

Voucher Issuance and Briefing

DCHA Policy

For families approved to move to a new no briefing is required for these families. DCHA will follow the policies set forth in Chapter 5 on voucher term, extension, and expiration. If a family does not locate a new unit within the term of the voucher and any extensions, the family may submit the required documents for their current unit. Otherwise, the family will lose its assistance. For families moving into or families approved to move out of DCHA's jurisdiction under portability, DCHA will follow the policies set forth in Part II of this chapter.

Housing Assistance Payments [24 CFR 982.311(d)]

When a family moves out of an assisted unit, DCHA may not make any housing assistance payment to the owner for any month **after** the month the family moves out. The owner may keep the housing assistance payment for the month when the family moves out of the unit. If a participant family moves from an assisted unit with continued tenant-based assistance, the term of the assisted lease for the new assisted unit may begin during the month the family moves out of the first assisted unit. Overlap of the last housing assistance payment (for the month when the family moves out of the old unit) and the first assistance payment for the new unit, is not considered to constitute a duplicative housing subsidy.

PART II: PORTABILITY

10-II.A. OVERVIEW

Within the limitations of the regulations and this plan, a participant family or an applicant family that has been issued a voucher has the right to use tenant-based voucher assistance to lease a unit anywhere in the United States providing that the unit is located within the jurisdiction of DCHA administering a tenant-based voucher program [24 CFR 982.353(b)]. The process by which a family obtains a voucher from DCHA and uses it to lease a unit in the jurisdiction of another DCHA is known as portability. The first PHA is called the **initial PHA.** The second is called the **receiving PHA.**

The receiving PHA has the option of administering the family's voucher for the initial PHA or absorbing the family into its own program. Under the first option, the receiving PHA bills the initial PHA for the family's housing assistance payments and the fees for administering the

family's voucher. Under the second option, the receiving PHA pays for the family's assistance out of its own program funds, and the initial PHA has no further relationship with the family. The same PHA commonly acts as the initial PHA for some families and as the receiving PHA for others. Each role involves different responsibilities. The PHA will follow the rules and policies in section 10-II.B when it is acting as the initial PHA for a family. It will follow the rules and policies in section 10-II.C when it is acting as the receiving PHA for a family.

10-II.B. INITIAL PHA ROLE

Allowable Moves under Portability

A family may move with voucher assistance only to an area where there is at least one PHA administering a voucher program [24 CFR 982.353(b)]. If there is more than one PHA in the area, the initial PHA may choose the receiving PHA [24 CFR 982.355(b)].

Applicant families that have been issued vouchers as well as participant families may qualify to lease a unit outside the PHA's jurisdiction under portability. The initial PHA, in accordance with HUD regulations and PHA policy, determines whether a family qualifies.

Applicant Families

Under HUD regulations, most applicant families qualify to lease a unit outside the PHA's jurisdiction under portability. However, HUD gives the PHA discretion to deny a portability move by an applicant family for the same two reasons that it may deny any move by a participant family: insufficient funding and grounds for denial or termination of assistance.

DCHA Policy

In determining whether or not to deny an applicant family permission to move under portability because DCHA lacks sufficient funding or has grounds for denying assistance to the family, the initial PHA will follow the policies established in section 10-I.B of this chapter. In addition, the PHA may establish a policy denying the right to portability to nonresident applicants during the first 12 months after they are admitted to the program [24 CFR 982.353(c)].

DCHA Policy

If neither the head of household nor the spouse/cohead of an applicant family had a domicile (legal residence) in DCHA's jurisdiction at the time the family's application for assistance was submitted, the family must live in DCHA's jurisdiction with voucher assistance for at least 12 months before requesting portability.

DCHA will consider exceptions to this policy for purposes of reasonable accommodation (see Chapter 2). However, any exception to this policy is subject to the approval of the receiving PHA [24 CFR 982.353(c)(3)].

Participant Families

The initial PHA must not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease [24 CFR 982.353(b)]. The Violence against Women Act of 2013 (VAWA) creates an exception to this prohibition for families who are otherwise in compliance with program obligations but have moved to protect the health or safety of a family member who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the unit [24 CFR 982.353(b)].

DCHA Policy

DCHA will determine whether a participant family may move out of DCHA's jurisdiction with continued assistance in accordance with the regulations and policies set forth here and in sections 10-I.A and 10-I.B of this chapter. DCHA will notify the family of its determination in accordance with the approval policy set forth in section 10-I.C of this chapter.

Determining Income Eligibility

Applicant Families

An applicant family may lease a unit in a particular area under portability only if the family is income eligible for admission to the voucher program in that area [24 CFR 982.353(d)(3)]. The family must specify the area to which the family wishes to move [Notice 2004-12]. The DCHA is responsible for determining whether the family is income eligible in the area to which the family wishes to move [24 CFR 982.355(c)(1)]. If the applicant family is not income eligible in that area, DCHA must inform the family that it may not move there and receive voucher assistance [Notice PIH 2004-12].

Participant Families

The income eligibility of a participant family is not redetermined if the family moves to a new jurisdiction under portability [24 CFR 982.353(d)(2), 24 CFR 982.355(c)(1)].

Reexamination of Family Income and Composition

No new reexamination of family income and composition is required for an applicant family.

DCHA Policy

For a participant family approved to move out of its jurisdiction under portability, DCHA generally will conduct a reexamination of family income and composition only if the family's annual reexamination must be completed on or before the initial billing deadline specified on form HUD-52665, Family Portability Information.

DCHA will make any exceptions to this policy necessary to remain in compliance with HUD regulations.

Briefing

The regulations and policies on briefings set forth in Chapter 5 of this plan require DCHA to provide information on portability to all applicant families that qualify to lease a unit outside DCHA's jurisdiction under the portability procedures. Therefore, no special briefing is required for these families.

DCHA Policy

No formal briefing will be required for a participant family wishing to move outside DCHA's jurisdiction under portability. However, DCHA will provide the family with the same oral and written explanation of portability that it provides to applicant families selected for admission to the program (see Chapter 5). DCHA will provide the name, address, and phone of the contact for DCHA in the jurisdiction to which they wish to move. DCHA will advise the family that they will be under the RHA's policies and procedures, including subsidy standards and voucher extension policies.

Voucher Issuance and Term

An applicant family has no right to portability until after the family has been issued a voucher [24 CFR 982.353(b)]. In issuing vouchers to applicant families, DCHA will follow the regulations and procedures set forth in Chapter 5. A new voucher is not required for portability purposes.

DCHA Policy

For families approved to move under portability, DCHA will issue a new voucher. The initial term of the voucher will be 60 days.

Voucher Extensions and Expiration

DCHA Policy

DCHA will approve **no** extensions to a voucher issued to an applicant or participant family porting out of DCHA's jurisdiction except under the following circumstances: (a) the initial term of the voucher will expire before the portable family will be issued a voucher by the receiving PHA, (b) the family decides to return to the initial PHA's jurisdiction and search for a unit there, or (c) the family decides to search for a unit in a third PHA's jurisdiction. In such cases, the policies on voucher extensions set forth in Chapter 5, section 5-II.E, of this plan will apply, including the requirement that the family apply for an extension in writing prior to the expiration of the initial voucher term. To receive or continue receiving assistance under the initial PHA's voucher program, a family that moves to another PHA's jurisdiction under portability must be under HAP contract in the receiving PHA's jurisdiction within 60 days following the expiration date

of the initial PHA's voucher term (including any extensions). (See below under "Initial Billing Deadline" for one exception to this policy.)

Initial Contact with the Receiving PHA

When a family wishes to move under portability, the family must inform DCHA of the area to which the family wishes to move. In the case where the family is not currently a program participant, DCHA must determine if the family is income eligible in the area to which the family wishes to move. If the family is not income eligible in the area to which the family wishes to move, DCHA must inform the applicant family they may not move to the area in question and receive voucher assistance. Income eligibility is not re-determined when a participant family (a family that is already under a HAP contract) exercise portability.

DCHA must promptly notify the receiving PHA to expect the information family. This means DCHA contact the receiving PHA on the family's behalf, typically by telephone, fax or email. Simply referring the family to HUD or to a website for information on the receiving PHA's address does not fulfill the responsibilities of DCHA under program regulation. DCHA must also advise the family how to contact and request assistance from the receiving PHA(e.g. the name and telephone number of the staff person responsible for working with incoming portability families and any procedure related to appointments for voucher issuance the receiving PHA has shared with DCHA). The Form HUD-52665 contains a line that the initial PHA uses to identify the receiving PHA to which the initial PHA is referring the family.

DCHA Policy
Because the portability process is time-sensitive, DCHA will notify the receiving PHA by phone, fax, or e-mail to expect the family. DCHA will also ask the receiving PHA to provide any information the family may need upon arrival, including the name, fax, email and telephone number of the staff person responsible for business with incoming portable families and procedures related to appointments for voucher issuance. DCHA will pass this information along to the family. DCHA will also ask for the name, address, telephone number, fax and email of the person responsible for processing the billing information.

Sending Documentation to the Receiving PHA

DCHA is required to send the receiving PHA the following documents:
Form HUD-52665, Family Portability Information, with Part I filled out [
A copy of the family's voucher [ϒ A copy of the family's most recent form HUD-50058, Family Report, or, if necessary in the case of an applicant family, family and income information in a format similar to that of form HUD-50058

Copies of the income verifications backing up the form HUD-50058 [24 CFR 982.355(c)(4), DCHA Policy In addition to these documents, DCHA will provide the following information, if available, to the receiving PHA:

Social security numbers (SSNs)
Documentation of SSNs for all family members age 6 and over
Documentation of legal identity
Documentation of citizenship or eligible immigration status
Documentation of participation in the earned income disallowance (EID) benefit
Documentation of participation in a family self-sufficiency (FSS) program
DCHA will notify the family in writing regarding any information provided to the receiving PHA.

Initial Billing Deadline

When the initial PHA sends form HUD-52665 to the receiving PHA, it specifies in Part I the deadline by which it must receive the initial billing notice from the receiving PHA. This deadline is 60 days following the expiration date of the voucher issued to the family by the initial PHA. If the initial PHA does not receive a billing notice by the deadline and does not intend to honor a late billing submission, it must contact the receiving PHA to determine the status of the family. If the receiving PHA reports that the family is not yet under HAP contract, the initial PHA may refuse to accept a late billing submission. If the receiving PHA reports that the family is under HAP contract and the receiving PHA cannot absorb the family, DCHA must accept a late billing submission; however, it may report to HUD the receiving PHA's failure to comply with the deadline.

DCHA Policy

If DCHA has not received an initial billing notice from the receiving PHA by the deadline specified on form HUD-52665, it will contact the receiving PHA by phone, fax, or e-mail on the next business day. If the PHA reports that the family is not yet under HAP contract, DCHA will inform the receiving PHA that it will not honor a late billing submission and will return any subsequent billings that it receives on behalf of the family. DCHA will send the receiving PHA a written confirmation of its decision by mail.

DCHA will allow an exception to this policy if the family includes a person with disabilities and the late billing is a result of a reasonable accommodation granted to the family by the receiving PHA.

Monthly Billing Payments

If the receiving PHA is administering the family's voucher, the initial PHA is responsible for making billing payments in a timely manner. The first billing amount is due within 30 calendar days after the initial PHA receives Part II of form HUD-52665 from the receiving PHA. Subsequent payments must be **received** by the receiving PHA no later than the fifth business day of each month. The payments must be provided in a form and manner that the receiving PHA is able and willing to accept. The initial PHA may not terminate or delay making payments under existing portability billing arrangements as a result of over leasing or funding shortfalls. DCHA must manage its tenant based

program in a manner that ensures that it has the financial ability to provide assistance for families that move out of its jurisdiction under portability and are not absorbed by receiving PHAs as well as for families that remain within its jurisdiction.

Annual Updates of Form HUD-50058

If the initial PHA is being billed on behalf of a portable family, it should receive an updated form HUD-50058 each year from the receiving PHA. If the initial PHA fails to receive an updated 50058 by the family's annual reexamination date, the initial PHA should contact the receiving PHA to verify the status of the family.

Denial or Termination of Assistance [24 CFR 982.355(c)(9)]

If the initial PHA has grounds for denying or terminating assistance for a portable family that has not been absorbed by the receiving PHA, the initial PHA may act on those grounds at any time. (For PHA policies on denial and termination, see Chapters 3 and 12, respectively.)

10-II.C. RECEIVING PHA ROLE

If a family has a right to lease a unit in the receiving PHA's jurisdiction under portability, the receiving PHA must provide assistance for the family [24 CFR 982.355(10)].
The receiving PHA's procedures and preferences for selection among eligible applicants do not apply, and the receiving PHA's waiting list is not used [24 CFR 982.355(10)]. However, the family's unit, or voucher, size is determined in accordance with the subsidy standards of the receiving PHA [24 CFR 982.355(7)], and the amount of the family's housing assistance payment is determined in the same manner as for other families in the receiving PHA's voucher program [24 CFR 982.355(e)(2)].

Responding to Initial PHA's Request

The receiving PHA must respond via e-mail or other confirmed delivery method to the initial PHA's inquiry to determine whether the family's voucher will be billed or absorbed. If the receiving PHA informs the initial PHA that it will be absorbing the voucher, the receiving PHA cannot reverse its decision at a later date

DCHA Policy

DCHA will use e-mail, when possible, to notify the initial PHA whether it will administer or absorb the family's voucher.

Initial Contact with Family

When a family moves into the PHA's jurisdiction under portability, the family is responsible for promptly contacting the PHA and complying with the PHA's procedures for incoming portable families [24 CFR 982.355(c)(3)]. If the voucher issued to the family by the initial PHA has expired, the receiving PHA does not process the family's paperwork but instead refers the family back to the initial PHA

When a portable family requests assistance from the receiving PHA, the receiving PHA must promptly inform the initial PHA whether the receiving PHA will bill the initial PHA for assistance on behalf of the portable family or will absorb the family into its own program [24 CFR 982.355(c)(5)]. If the PHA initially bills the initial PHA for the family's assistance, it may later decide to absorb the family into its own program (See later under "Absorbing a Portable Family" for more on this topic.)
PHA Policy within 10 business days after a portable family requests assistance, the receiving PHA will notify the initial PHA whether it intends to bill the receiving PHA on behalf of the portable family or absorb the family into its own program. If for any reason the receiving PHA refuses to process or provide assistance to a family under the
portability procedures, the family must be given the opportunity for an informal review or hearing (For more on this topic, see later under "Denial or Termination of Assistance.")

Briefing

HUD allows the receiving PHA to require a briefing for an incoming portable family as long as the requirement does not unduly delay the family's search

DCHA Policy

DCHA will not require the family to attend a briefing. DCHA will provide the family with a briefing packet (as described in Chapter 5) and, in an individual briefing, will orally inform the family about DCHA's payment and subsidy standards, procedures for requesting approval of a unit, the unit inspection process, and the leasing process.

Income Eligibility and Reexamination

HUD allows the receiving PHA to conduct its own income reexamination of a portable family [24 CFR 982.355(c)(4)]. However, the receiving PHA may not delay voucher issuance or unit approval until the reexamination process is complete unless the reexamination is necessary to determine that an applicant family is income eligible for admission to the program in the area where the family wishes to lease a unit The receiving PHA does not re-determine income eligibility for a portable family that was already receiving assistance in the initial PHA's voucher program [24 CFR 982.355(c)(1)].

DCHA Policy

For any family moving into its jurisdiction under portability, DCHA will conduct a new reexamination of family income and composition.

DCHA will delay the issuance of the voucher should the family composition be different than what was supplied to the initial PHA.

Voucher Issuance

When a family moves into its jurisdiction under portability, the receiving PHA is required to issue the family a voucher [24 CFR 982.355(b)(6)]. The family must submit a request for tenancy approval to the receiving PHA during the term of the receiving PHA's voucher [24 CFR 982.355(c)(6)].

Timing of Voucher Issuance

HUD expects the receiving PHA to issue the voucher within two weeks after receiving the family's paperwork from the initial PHA if the information is in order, the family has contacted the receiving PHA, and the family complies with the receiving PHA's procedures
DCHA Policy

When a family ports into its jurisdiction, DCHA will issue the family a voucher based on the paperwork provided by the family unless the family's paperwork from the initial PHA is incomplete, the family's voucher from the initial PHA has expired or the family does not comply with DCHA's procedures. DCHA will update the families information when verification has been completed.

Voucher Term

The term of the receiving PHA's voucher may not expire before the term of the initial PHA's voucher [24 CFR 982.355(c)(6)].

DCHA Policy

The receiving PHA's voucher will expire on the same date as the initial PHA's voucher.

Voucher Term Suspension

Suspension starts when the family submits a Request for Tenancy Approval and ends when DCHA notifies the family in writing whether the request has been approved or denied.

Voucher Extensions

The receiving PHA may provide additional search time to the family beyond the expiration date of DCHA's voucher; however, if it does so, it must inform the initial PHA of the extension. It must also bear in mind the billing deadline provided by the initial PHA. Unless willing and able to absorb the family, the receiving PHA should ensure that any voucher expiration date would leave sufficient time to process a request for tenancy approval, execute a HAP contract, and deliver the initial billing to DCHA.

DCHA Policy
DCHA generally will not extend the term of the voucher that it issues to an incoming portable family unless DCHA plans to absorb the family into its own program, in which

case it will follow the policies on voucher extension set forth in section 5-II.E.
DCHA will consider an exception to this policy as a reasonable accommodation to a person with disabilities (see Chapter 2).

Notifying the Initial PHA

The receiving PHA must promptly notify the initial PHA if the family has leased an eligible unit under the program or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the receiving PHA's voucher [24 CFR 982.355(c)(8)]. The receiving PHA is required to use Part II of form HUD-52665, Family Portability Information, for this purpose (For more on this topic and the deadline for notification, see below under "Administering a Portable Family's Voucher,") If an incoming portable family ultimately decides not to lease in the jurisdiction of the receiving PHA but instead wishes to return to the initial PHA's jurisdiction or to search in another jurisdiction, the receiving PHA must refer the family back to the initial PHA. In such a case the voucher of record for the family is once again the voucher originally issued by the initial PHA. Any extension of search time provided by the receiving PHA's voucher is only valid for the family's search in the receiving PHA's jurisdiction.

Administering a Portable Family's Voucher
Initial Billing Deadline

If a portable family's search for a unit is successful and the receiving PHA intends to administer the family's voucher, the receiving PHA must submit its initial billing notice (Part II of form HUD-52665) (a) no later than 10 business days following the date the receiving PHA **executes** a HAP contract on behalf of the family **and** (b) in time that the notice will be **received** no later than 60 days following the expiration date of the family's voucher issued by the initial PHA [A copy of the family's form HUD-50058, Family Report, completed by the receiving PHA must be attached to the initial billing notice. The receiving PHA may send these documents by mail, fax, or e-mail.

DCHA Policy

DCHA will send its initial billing notice by fax or e-mail, if necessary, to meet the billing deadline but will also send the notice by regular mail.
If the receiving PHA fails to send the initial billing within 10 business days following the date the HAP contract is executed, it is required to absorb the family into its own program unless (a) the initial PHA is willing to accept the late submission or (b) HUD requires the initial PHA to honor the late submission (e.g., because the receiving PHA is over leased)

Ongoing Notification Responsibilities

Annual Reexamination. The receiving PHA must send the initial PHA a copy of a portable family's updated form HUD-50058 after each annual reexamination for the duration of time the receiving PHA is billing the initial PHA on behalf of the family, regardless of whether there is a change in the billing amount.

DCHA Policy

DCHA will send a copy of the updated HUD-50058 by regular mail at the same time DCHA and owner are notified of the reexamination results.

Change in Billing Amount. The receiving PHA is required to notify the initial PHA, using form HUD-52665, of any change in the billing amount for the family as a result of:

A change in the HAP amount (because of a reexamination, a change in the applicable payment standard, a move to another unit, etc.)

An abatement or subsequent resumption of the HAP payments

Termination of the HAP contract

Payment of a damage/vacancy loss claim for the family

Termination of the family from the program

The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family in order to provide the initial PHA with advance notice of the change. Under no circumstances should the notification be later than 10 business days following the effective date of the change in the billing amount.

Late Payments

If the initial PHA fails to make a monthly payment for a portable family by the fifth business day of the month, the receiving PHA must promptly notify the initial PHA in writing of the deficiency. The notice must identify the family, the amount of the billing payment, the date the billing payment was due, and the date the billing payment was received (if it arrived late). The receiving PHA must send a copy of the notification to the Office of Public Housing (OPH) in the HUD area office with jurisdiction over the receiving PHA. If the initial PHA fails to correct the problem by the second month following the notification, the receiving PHA may request by memorandum to the director of the OPH with jurisdiction over the receiving PHA that HUD transfer the unit in question. A copy of the initial notification and any subsequent correspondence between the PHAs on the matter must be attached. The receiving PHA must send a copy of the memorandum to the initial PHA. If the OPH decides to grant the transfer, the billing arrangement on behalf of the family ceases with the transfer, but the initial PHA is still responsible for any outstanding payments due to the receiving PHA.

Overpayments

In all cases where the receiving PHA has received billing payments for billing arrangements no longer in effect, the receiving PHA is responsible for returning the full amount of the overpayment (including the portion provided for administrative fees) to the initial PHA. In the event that HUD determines billing payments have continued for at least three months because the receiving PHA failed to notify the initial PHA that the billing arrangement was terminated, the receiving PHA must take the following steps:

Return the full amount of the overpayment, including the portion provided for administrative fees, to the initial PHA.

Once full payment has been returned; notify the Office of Public Housing in the HUD area office with jurisdiction over the receiving PHA of the date and the amount of reimbursement to the initial PHA. ***Denial or Termination of Assistance***

At any time, the receiving PHA may make a determination to deny or terminate assistance to a portable family for family action or inaction [24 CFR 982.355(c)(9), 24 CFR 982.355(c)(10)]. In the case of a termination, DCHA should provide adequate notice of the effective date to the initial PHA to avoid having to return a payment. In no event should the receiving PHA fail to notify the initial PHA later than 10 business days following the effective date of the termination of the billing arrangement.

DCHA Policy

If DCHA elects to deny or terminate assistance for a portable family, DCHA will notify the initial PHA within 10 business days after the informal review or hearing if the denial or termination is upheld. DCHA will base its denial or termination decision on the policies set forth in Chapter 3 or Chapter 12, respectively. The informal review or hearing will be held in accordance with the policies in Chapter 16.

Absorbing a Portable Family

The receiving PHA may absorb an incoming portable family into its own program when the PHA executes a HAP contract on behalf of the family or at any time thereafter providing that (a) the PHA has funding available under its annual contributions contract (ACC) and (b) absorbing the family will not result in over leasing If the receiving PHA absorbs a family from the point of admission, the admission will be counted against the income targeting obligation of the receiving PHA [24 CFR 982.201(b)(2)(vii)].
If the receiving PHA absorbs a family after providing assistance for the family under a billing arrangement with the initial PHA, HUD encourages the receiving PHA to provide adequate advance notice to the initial PHA to avoid having to return an overpayment. The receiving PHA must specify the effective date of the absorption of the family.

DCHA Policy

If DCHA decides to absorb a portable family upon the execution of a HAP contract on behalf of the family, DCHA will notify the initial PHA by the initial billing deadline specified on form HUD-52665. The effective date of the HAP contract will be the effective date of the absorption.
If DCHA decides to absorb a family after that, it will provide the initial PHA with 30 days' advance notice.
Following the absorption of an incoming portable family, the family is assisted with funds available under the consolidated ACC for the receiving PHA's voucher program [24 CFR 982.355(d)], and the receiving PHA becomes the initial PHA in any subsequent moves by the family under portability.

Chapter 11

REEXAMINATIONS
INTRODUCTION

DCHA is required to reexamine each family's income and composition at least annually, and to adjust the family's level of assistance accordingly. Interim reexaminations are also needed in certain situations. This chapter discusses both annual and interim reexaminations, and the recalculation of family share and subsidy that occurs as a result. HUD regulations DCHA policies concerning reexaminations are presented in three parts:

Part I: Annual Reexaminations. This part discusses the process for conducting annual reexaminations.

Part II: Interim Reexaminations. This part details the requirements for families to report changes in family income and composition between annual reexaminations.

Part III: Recalculating Family Share and Subsidy Amount. This part discusses the recalculation of family share and subsidy amounts based on the results of annual and interim reexaminations. Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this plan, apply to both annual and interim reexaminations.

PART I: ANNUAL REEXAMINATIONS [24 CFR 982.516]

11-I.A. OVERVIEW

DCHA must conduct a reexamination of family income and composition at least annually. This includes gathering and verifying current information about family composition, income, and expenses. Based on this updated information, the family's income and rent must be recalculated. This part discusses the schedule for annual reexaminations, the information to be collected and verified, and annual reexamination effective dates.

When implemented, DCHA will require tenants to complete Annual Reexaminations on line. Tenants must complete all mandatory fields when completing the process. All verification of required information must be submitted via email, fax or uploaded to the re-exam packet. Families will be reminded that they are require to provide true and complete information at all times.

For families requesting assistance as a result of a disability assistance will be provided.

11-I.B STREAMLINED ANNUAL REEXAMINATIONS [24 CFR 982.516(b)]

HUD permits DCHA to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained

during the intake process and every three years thereafter, in the intervening years DCHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or rate of interest. DCHA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, DCHA must perform third-party verification of all income sources.

Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits, and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

DCHA Policy

DCHA will streamline the annual reexamination process by applying the verified COLA or interest rate to fixed-income sources. DCHA will document in the file how the determination that a source of income was fixed was made.

If a family member with a fixed source of income is added, DCHA will use third-party verification of all income amounts for that family member.

If verification of the COLA or rate of interest is not available, DCHA will obtain third party verification of income amounts.

Third-party verification of fixed sources of income will be obtained during the intake process and at least once every three years thereafter.

11-I.C. SCHEDULING ANNUAL REEXAMINATIONS

DCHA must establish a policy to ensure that the annual reexamination for each family is completed *within* a 12-month period, and may require reexaminations more frequently [HCV GB p. 12-1].

DCHA Policy

DCHA will begin the annual reexamination process 90-120 days in advance of its scheduled effective date. Generally, DCHA will schedule annual reexamination effective dates to coincide with the family's anniversary date.
Anniversary date is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family moves to a new unit, DCHA will perform a new annual reexamination. DCHA also may schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

Notification of and Participation in the Annual Reexamination Process

DCHA is required to obtain the information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of DCHA.

DCHA Policy

Families are required to participate in an annual reexamination interview, which must be attended by the head of household, spouse, co-head, and all other adult members If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact DCHA to request a reasonable accommodation (see Chapter 2).
Notification of annual reexamination interviews will be sent by first-class mail and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be brought to the interview.
If the family is unable to attend a scheduled interview, the family should contact DCHA in advance of the interview to schedule a new appointment. If a family does not attend the scheduled interview, DCHA will send a second notification with a new interview appointment time.
If a family fails to attend two scheduled interviews without DCHA approval, or if the notice is returned by the post office with no forwarding address, a notice of termination (see Chapter 12) will be sent to the family's address of record.
An advocate, interpreter, or other assistant may assist the family in the interview process.

11-I.D. CONDUCTING ANNUAL REEXAMINATIONS

As part of the annual reexamination process, families are required to provide updated information to DCHA regarding the family's income, expenses, and composition [24 CFR 982.551(b)].

DCHA Policy

DCHA will streamline re-examination of income for elderly and disabled families when 100% of the family's income consists of fixed income. DCHA will recalculate family incomes by applying any published cost of living adjustments to the previously verified amount. Fixed incomes includes income from:

1. Social Security Payments to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI)
2. Federal, State, local and private pension plans and
3. Other periodic payments from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic receipts that are substantially the same amounts from year to year.

Families will be asked to submitall required information (as described in the

reexamination notice) for the reexaminationThe required information will include a PHA-designated reexamination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documentation related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within 10 business days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be sent a notice of termination (See Chapter 12).

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

Legal identity
Age
Social security numbers
A person's disability status
Citizenship or immigration status

If adding a new family member to the unit causes overcrowding according to the Housing Quality Standards (HQS) (see Chapter 8), DCHA must issue the family a new voucher, and the family and DCHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, DCHA must terminate the HAP contract in accordance with its terms [24 CFR 982.403].

11-I.E. EFFECTIVE DATES

DCHA must establish policies concerning the effective date of changes that result from an annual reexamination [24 CFR 982.516].

DCHA Policy

In general, an *increase* in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If a family moves to a new unit, the increase will take effect on the effective date of the new lease and HAP contract, and no 30-day notice is required.

If DCHA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by DCHA, but will always allow for the 30-day notice period.

If the family causes a delay in processing the annual reexamination, *increases* in the family share of the rent will be applied retroactively, to the scheduled

effective date of the annual reexamination. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.
In general, a *decrease* in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date.
If a family moves to a new unit, the decrease will take effect on the effective date of the new lease and HAP contract.
If DCHA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by DCHA.
If the family causes a delay in processing the annual reexamination, d*ecreases* in the family share of the rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by DCHA by the date specified, and this delay prevents DCHA from completing the reexamination as scheduled.

PART II: INTERIM REEXAMINATIONS [24 CFR 982.516]
11-II.A. OVERVIEW

Family circumstances may change throughout the period between annual reexaminations. HUD and DCHA policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances DCHA must process interim reexaminations to reflect those changes. HUD regulations also permit DCHA to conduct interim reexaminations of income or family composition at any time. When an interim reexamination is conducted, only those factors that have changed are verified and adjusted. In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family's income or composition changes. DCHA must complete the interim reexamination within a reasonable time after the family's request.
This part includes HUD and DCHA policies describing what changes families are required to report, what changes families may choose to report, and how DCHA will process both DCHA and family-initiated interim reexaminations.

11-II.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION
DCHA must adopt policies prescribing when and under what conditions the family must report changes in family composition. However, due to family obligations under the program, DCHA has limited discretion in this area.

DCHA Policy

DCHA will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations.

New Family Members Not Requiring Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require DCHA approval. However, the family is required to promptly notify DCHA of the addition [24 CFR 982.551(h)(2)].

DCHA Policy

The family must inform DCHA of the birth, adoption or court-awarded custody of a child within 10 business days.

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court awarded custody, a family must request DCHA approval to add a new family member [24 CFR 982.551(h)(2)] or other household member (live-in aide or foster child) [24 CFR 982.551(h)(4)]. When any new family member is added, DCHA must conduct a reexamination to determine any new income or deductions associated with the additional family member, and to make appropriate adjustments in the family share of the rent and the HAP payment [24 CFR 982.516(e)].

If a change in family size causes a violation of Housing Quality Standards (HQS) space standards (see Chapter 8), DCHA must issue the family a new voucher, and the family and DCHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, DCHA must terminate the HAP contract in accordance with its terms [24 CFR 982.403].

DCHA Policy

Families must request DCHA approval to add a new family member, live-in aide, foster child, or foster adult. Requests must be made in writing and approved by DCHA prior to the individual moving in the unit.

DCHA will not approve the addition of a new family or household member unless the individual meets DCHA's eligibility criteria (see Chapter 3).

If DCHA determines an individual meets DCHA's eligibility criteria as defined in Chapter 3, DCHA will provide written approval to the family. If the approval of a new family member or live-in aide will cause overcrowding according to HQS standards, the approval letter will explain that the family will be issued another voucher and will be required to move.

If DCHA determines that an individual does not meet DCHA's eligibility criteria as defined in Chapter 3, DCHA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

Departure of a Family or Household Member

Families must promptly notify DCHA if any family member no longer lives in the unit [24 CFR 982.551(h)(3)]. Because household members are considered when determining the family unit (voucher) size [24 CFR 982.402], the PHA also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit.

DCHA Policy If a household member ceases to reside in the unit, the family must inform DCHA in writing within 10 business days. This requirement also applies to a family member who has been considered temporarily absent at the point that the family concludes the individual is permanently absent. Verification of the legal residence for the family member(s) who no longer reside in the unit must be provided in order for the family member to be removed from the file. Example of acceptable forms of verification are legal driver's license, lease, utility bills. In the case where this cannot be provided; the head of household along with all other adult family members must certify that the whereabouts of the family member who no longer lives in the unit is unknown.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform DCHA within 10 business days.

11-II.C. CHANGES AFFECTING INCOME OR EXPENSES

Interim reexaminations can be scheduled either because DCHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change. When a family reports a change, DCHA may take different actions depending on whether the family reported the change voluntarily, or because it was required to do so.

PHA-Initiated Interim Reexaminations

DCHA-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by the DCHA. They are not scheduled because of changes reported by the family.

DCHA Policy

DCHA will conduct interim reexaminations in each of the following instances:
For families receiving the Earned Income Disallowance (EID), DCHA will conduct an interim reexamination at the start and conclusion of the second 12 month exclusion period (50 percent phase-in period).
If the family has reported zero income, DCHA will conduct an interim reexamination every 3 months as long as the family continues to report that they have no income.
DCHA may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.

Family-Initiated Interim Reexaminations

DCHA must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 982.516(c)]. In addition, HUD regulations require that the family be permitted to obtain an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b)(2)].

Required Reporting

HUD regulations give DCHA the freedom to determine the circumstances under which families will be required to report changes affecting income.

DCHA Policy

Families are required to report all increases in earned income, including new employment, in writing within 10 business days of the date the change takes effect.

Optional Reporting

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b)(2)]. DCHA must process the request if the family reports a change that will result in a reduced family income.
If a family reports a decrease in income from the loss of welfare benefits due to fraud or noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.
DCHA Policy If a family reports a change that it was not required to report and that would result in an increase in the family share of the rent, DCHA will note the information in the tenant file, but will not conduct an interim reexamination.

If a family reports a change that it was not required to report and that would result in a decrease in the family share of rent, DCHA will conduct an interim reexamination. See Section 11-II.D. for effective dates. Families may report changes in income or expenses at any time.

11-II.D. PROCESSING THE INTERIM REEXAMINATION
Method of Reporting

DCHA Policy

The family must notify DCHA of changes in writing. DCHA requires the family to submit the changes in writing.
Generally, the family will not be required to attend an interview for an interim

reexamination. However, if DCHA determines that an interview is warranted, the family may be required to attend.
Based on the type of change reported, DCHA will determine the documentation the family will be required to submit. The family must submit any required information or documents within 10 business days of receiving a request from DCHA. This time frame may be extended for good cause with DCHA approval. DCHA will accept required documentation by mail, by fax, or in person.

Effective Dates

DCHA must establish the time frames in which any changes that result from an interim reexamination will take effect [24 CFR 982.516(d)]. The changes may be applied either retroactively or prospectively, depending on whether there is to be an increase or a decrease in the family share of the rent, and whether the family reported any required information within the required time frames.

DCHA Policy

If the family share of the rent is to *increase*:

The increase generally will be effective on the first of the month following 30 days' notice to the family.

If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

If the family share of the rent is to *decrease*:

The decrease will be effective on the first day of the month following the month in which the change was reported and all required documentation was submitted. In cases where the change cannot be verified until after the date the change would have become effective, the change will be made retroactively.

PART III: RECALCULATING FAMILY SHARE AND SUBSIDY AMOUNT

11-III.A. OVERVIEW

After gathering and verifying required information for an annual or interim reexamination, DCHA must recalculate the family share of the rent and the subsidy amount, and notify the family and owner of the changes [24 CFR 982.516(d)(2), HCV 12-6 and 12-10]. While the basic

policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

11-III.B. CHANGES IN PAYMENT STANDARDS AND UTILITY ALLOWANCES

In order to calculate the family share of the rent and HAP amount correctly, changes in payment standards, subsidy standards, or utility allowances may need to be updated and included in DCHA's calculations.
Specific policies governing how subsidy standards, payment standards, and utility allowances are applied are discussed below.

Payment Standards [24 CFR 982.505]

The family share of the rent and HAP calculations must use the correct payment standard for the family, taking into consideration the family unit size, the size of unit, and the area in which the unit is located [HCV GB, p. 12-5]. See Chapter 6 for information on how to select the appropriate payment standard.
When DCHA changes its payment standards or the family's situation changes, new payment standards are applied at the following times:

If DCHA's payment standard amount changes during the term of the HAP contract, the date on which the new standard is applied depends on whether the standard has increased or decreased:

- If the payment standard amount has i*ncreased,* the increased payment standard will be applied at the *first annual* reexamination following the effective date of the increase in the payment standard.
- If the payment standard amount has *decreased*, the decreased payment standard will be applied at the *second annual* reexamination following the effective date of the decrease in the payment standard.

If the family moves to a new unit, or a new HAP contract is executed due to changes in the lease (even if the family remains in place) the current payment standard applicable to the family will be used when the new HAP contract is processed.

Subsidy Standards [24 CFR 982.505(c)(4)]

If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition, or a change in DCHA's subsidy standards (see Chapter 5), the new family unit size must be used to determine the payment standard amount for the family at the family's *first annual* reexamination following the change in family unit size.

Utility Allowances [24 CFR 982.517(d)]

The family share of the rent and HAP calculations must reflect any changes in the family's utility arrangement with the owner, or in DCHA's utility allowance schedule. Chapter 16 discusses how utility allowance schedules are established. When there are changes in the utility arrangement with the owner, DCHA must use the utility allowances in effect at the time the new lease and

HAP contract are executed. At reexamination, DCHA must use DCHA current utility allowance schedule [24 CFR 982.517(d)(2)].

DCHA Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination after the allowance is adopted.

11-III.C. NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT

DCHA must notify the owner and family of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice must include the following information:

The amount and effective date of the new HAP payment

The amount and effective date of the new family share of the rent

The amount and effective date of the new tenant rent to owner

The family must be given an opportunity for an informal hearing regarding the DCHA's determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment [24 CFR 982.555(a)(1)(i)] (see Chapter 16).

11-III.D. DISCREPANCIES

During an annual or interim reexamination, DCHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, DCHA may discover errors made by DCHA. When errors resulting in the overpayment or underpayment of subsidy are discovered, corrections will be made in accordance with the policies in Chapter 13.

Chapter 12

TERMINATION OF ASSISTANCE AND TENANCY

HUD regulations specify the reasons for which DCHA can terminate a family's assistance, and the ways in which such terminations must take place. They also dictate the circumstances under which an owner may terminate the tenancy of an assisted family. This chapter presents the policies that govern voluntary and involuntary terminations of assistance, and termination of tenancy by the owner. It is presented in three parts:

Part I: Grounds for Termination of Assistance. This part discusses various reasons that a family's assistance may be terminated, including voluntary termination by the family, termination because the family no longer qualifies to receive subsidy, and termination by DCHA based on the family's behavior.

Part II: Approach to Termination of Assistance. This part describes the policies that govern how an involuntary termination takes place. It specifies the alternatives that the DCHA may consider in lieu of termination, the criteria DCHA must use when deciding what action to take, and the steps the DCHA must take when terminating a family's

assistance.

Part III: Termination of Tenancy by the Owner. This part presents the policies that govern the owner's right to terminate an assisted tenancy.

PART I: GROUNDS FOR TERMINATION OF ASSISTANCE

12-I.A. OVERVIEW

HUD requires DCHA to terminate assistance for certain offenses and when the family no longer requires assistance. HUD permits DCHA to terminate assistance for certain other actions family members take or fail to take. In addition, a family may decide to stop receiving HCV assistance at any time by notifying DCHA.

12-I.B. FAMILY NO LONGER REQUIRES ASSISTANCE [24 CFR 982.455]

As a family's income increases, the amount of PHA subsidy goes down. If the amount of HCV assistance provided by DCHA drops to zero and remains at zero for 180 consecutive calendar days the family's assistance terminates automatically.

DCHA Policy

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

12-I.C. FAMILY CHOOSES TO TERMINATE ASSISTANCE

The family may request that DCHA terminate the family's assistance at any time.

DCHA Policy

The request to terminate assistance should be made in writing and signed by the head of household, spouse, or cohead. Before terminating the family's assistance, DCHA will follow the notice requirements in Section 12-II.E.

12-I.D. MANDATORY TERMINATION OF ASSISTANCE

HUD requires the DCHA to terminate assistance in the following circumstances.

Eviction [24 CFR 982.552(b)(2), 24 CFR 5.2005 (c)(1)]

DCHA must terminate assistance whenever a family is evicted from a unit assisted under the HCV program for a serious or repeated violation of the lease.

DCHA Policy

A family will be considered *evicted* if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary.

If a family moves after the owner has given the family an eviction notice for serious or repeated lease violations but before a legal eviction order has been issued, termination of assistance is not mandatory. However, DCHA will determine whether the family has committed serious or repeated violations of the lease based on available evidence and may terminate assistance or take any of the alternative measures described in Section 12-II.C.
Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criteria to be used is whether the reason for the eviction was through no fault of the tenant or guests.

Failure to Provide Consent [24 CFR 982.552(b)(3)]

DCHA must terminate assistance if any family member fails to sign and submit any consent form they are required to sign for a reexamination. See Chapter 7 for a complete discussion of consent requirements.

Failure to Document Citizenship [24 CFR 982.552(b)(4) and [24 CFR 5.514(c)]
DCHA must terminate assistance if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family; or (3) a family member, as determined by DCHA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in

the unit. For (3) above, such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated. See Chapter 7 for a complete discussion of documentation requirements.

Failure to Provide Social Security Documentation [24 CFR 5.218(c)]

Termination of assistance or termination of tenancy of participants. (1) The processing entity must terminate the assistance or terminate the tenancy, or both, of a participant and the

participant's household, in accordance with the provisions governing the program involved, if the participant does not meet the applicable SSN disclosure, documentation, and verification requirements specified in 5.216.

Methamphetamine Manufacture or Production [24 CFR 983.553(b)(1)(ii)]

DCHA must terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

12-I.E. MANDATORY POLICIES AND OTHER AUTHORIZED TERMINATIONS

Mandatory Policies [24 CFR 982.553(b) and 982.551(l)]

HUD requires DCHA to establish policies that permit DCHA to terminate assistance if DCHA determines that:
ϒ Any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents
ϒ Any household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents
ϒ Any household member has violated the family's obligation not to engage in any drug related criminal activity
ϒ Any household member has violated the family's obligation not to engage in violent criminal activity

Use of Illegal Drugs and Alcohol Abuse

DCHA Policy

DCHA will terminate a family's assistance if any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
DCHA will terminate assistance if any household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.
Currently engaged in is defined as any use of illegal drugs during the previous six months.
DCHA will consider all credible evidence, including but not limited to, any record of arrests, convictions, or eviction of household members related to the use of illegal drugs or abuse of alcohol.
In making its decision to terminate assistance, DCHA will consider alternatives as described in Section 12-II.C and other factors described in Section 12-II.D. Upon consideration of such alternatives and factors, DCHA may, on a case-by-case basis, choose not to terminate assistance.

Drug-Related and Violent Criminal Activity **[24 CFR 5.100]**

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).
Drug-related criminal activity is defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.
Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

DCHA Policy

DCHA will terminate a family's assistance if any household member has violated the family's obligation not to engage in any drug-related or violent criminal activity during participation in the HCV program.

Before denying or terminating assistance as a result of criminal background, DCHA will provide an applicant the opportunity to dispute the accuracy of the criminal background record upon a written request for a review of the criminal background information. When considering the provision of assistance to an applicant or termination of assistance to a tenant, where criminal background could affect assistance, DCHA will notify the applicant /tenant that criminal background information has been received that could potentially affect assistance and advise the client of the opportunity to dispute the information by a written request for a review of the information.

DCHA will consider all credible evidence, including but not limited to, any record of arrests and/or convictions of household members related to drug-related or violent criminal activity, and any eviction or notice to evict based on drug-related or violent criminal activity.
In making its decision to terminate assistance, DCHA will consider alternatives as described in Section 12-II.C and other factors described in Section 12-II.D. Upon consideration of such alternatives and factors, DCHA may, on a case-by-case basis, choose not to terminate assistance.

Other Authorized Reasons for Termination of Assistance [24 CFR 982.552(c)]

HUD permits DCHA to terminate assistance under a number of other circumstances. It is left to the discretion of DCHA whether such circumstances in general warrant consideration for the termination of assistance.

DCHA Policy

DCHA **will not** terminate a family's assistance because of the family's failure to meet its obligations under the Family Self-Sufficiency or Welfare to Work voucher programs.

DCHA **will** terminate a family's assistance if:

The family has failed to comply with any family obligations under the program. See Exhibit 12-1 for a listing of family obligations and related DCHA policies.

Any family member has been evicted from federally-assisted housing in the last five years.

Any PHA has ever terminated assistance under the program for any member of the family.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family currently owes rent or other amounts to any PHA in connection with the HCV, Certificate, Moderate Rehabilitation or public housing programs.

The family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.

The family has breached the terms of a repayment agreement entered into with the PHA.

A family member has engaged in or threatened violent or abusive behavior toward PHA personnel.

Abusive or violent behavior towards PHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
In making its decision to terminate assistance, DCHA will consider alternatives as described in Section 12-II.C and other factors described in Section 12-II.D. Upon consideration of such alternatives and factors, DCHA may, on a case-by-case basis, choose not to terminate assistance.

Family Absence from the Unit [24 CFR 982.312]

The family may be absent from the unit for brief periods. DCHA must establish a policy on how long the family may be absent from the assisted unit.

DCHA Policy

If the family is absent from the unit for more than 30 consecutive calendar days, the family's assistance will be terminated. Notice of termination will be sent in accordance with Section 12-II.E.

PART II: APPROACH TO TERMINATION OF ASSISTANCE
12-II.A. OVERVIEW

DCHA is required by regulation to terminate a family's assistance if certain program rules are violated. For other types of offenses, the regulations give DCHA the discretion to either terminate the family's assistance or to take another action. This part discusses the various actions DCHA may choose to take when it has discretion, and outlines the criteria DCHA will use to make its decision about whether or not to terminate assistance. It also specifies the requirements for the notice that must be provided before terminating assistance.

12-II.B. METHOD OF TERMINATION [24 CFR 982.552(a)(3)]

The way in which DCHA terminates assistance depends upon individual circumstances. HUD permits DCHA to terminate assistance by:

Terminating housing assistance payments under a current HAP contract,
Refusing to approve a request for tenancy or to enter into a new HAP contract, or
Refusing to process a request for or to provide assistance under portability procedures.

12-II.C. ALTERNATIVES TO TERMINATION OF ASSISTANCE
Change in Household Composition

As a condition of continued assistance, DCHA may require that any household member who participated in or was responsible for an offense no longer resides in the unit [24 CFR 982.552(c)(2)(ii)].

DCHA Policy

As a condition of continued assistance, the head of household must certify that the culpable family member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former family member's current address upon DCHA request.

Repayment of Family Debts

DCHA Policy

If a family owes amounts to DCHA, as a condition of continued assistance, DCHA will require the family to repay the full amount or to enter into a repayment agreement, within 30 days of receiving notice from DCHA of the amount owed. See Chapter 16 for

policies on repayment agreements.

12-II.D. CRITERIA FOR DECIDING TO TERMINATE ASSISTANCE
Evidence

For criminal activity, HUD permits DCHA to terminate assistance if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted [24 CFR 982.553(c)].

DCHA Policy

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

Consideration of Circumstances [24 CFR 982.552(c)(2)(i)]

DCHA is permitted, but not required, to consider all relevant circumstances when determining whether a family's assistance should be terminated.

DCHA Policy

DCHA will consider the following factors when making its decision to terminate assistance:
The seriousness of the case, especially with respect to how it would affect other residents
The effects that termination of assistance may have on other members of the family who were not involved in the action or failure
The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities
The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future
In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully
DCHA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]

If the family includes a person with disabilities, DCHA's decision to terminate the family's assistance is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

DCHA Policy

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of assistance, DCHA will determine whether the behavior is related to the disability. If so, upon the family's request, DCHA will determine whether alternative measures are appropriate as a reasonable accommodation. The PHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance. See Chapter 2 for a discussion of reasonable accommodation.

12-II.E. TERMINATIONS RELATED TO DOMESTIC VIOLENCE, DATING VIOLENCE, OR STALKING

This section addresses the protections against termination of assistance that the Violence against Women Act of 2005 (VAWA) provides for victims of domestic violence, dating violence, and stalking. For general VAWA requirements and DCHA policies pertaining to notification, documentation, and confidentiality, see section 16-IX of this plan, where definitions of key VAWA terms are also located.

VAWA Protections against Termination

VAWA provides four specific protections against termination of HCV assistance for victims of domestic violence, dating violence, or stalking. (*Note:* The second, third, and fourth protections also apply to terminations of tenancy or occupancy by owners participating in the HCV program. So do the limitations discussed under the next heading.)

First, VAWA provides that DCHA may not terminate assistance to a family that moves out of an assisted unit in violation of the lease, with or without prior notification to DCHA, if the move occurred to protect the health or safety of a family member 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 unit [24 CFR 982.314(b)(4)].

Second, it provides that an incident or incidents of actual or threatened domestic violence, dating violence, or stalking may not be construed either as a serious or repeated lease violation by the victim or as good cause to terminate the assistance of the victim [24 CFR 5.2005(c)(1)].

Third, it provides that criminal activity directly related to domestic violence, dating violence, or stalking may not be construed as cause for terminating the assistance of a tenant if a member of

the tenant's household, a guest, or another person under the tenant's control is the one engaging in the criminal activity and the tenant or an immediate family member of the tenant is the actual or threatened victim of the domestic violence, dating violence, or stalking [24 CFR 5.2005(c)(2)].

Fourth, it gives DCHA the authority to terminate assistance to any tenant or lawful occupant who engages in criminal acts of physical violence against family members or others without terminating assistance to, or otherwise penalizing, the victim of the violence [24 CFR 5.2009(a)].

Limitations on VAWA Protections [24 CFR 5.2005(d) and (e)]

VAWA does not limit the authority of DCHA to terminate the assistance of a victim of abuse for reasons unrelated to domestic violence, dating violence, or stalking so long as DCHA does not subject the victim to a more demanding standard than it applies to other program participants [24 CFR 5.2005(d)(1)].

Likewise, VAWA does not limit the authority of DCHA to terminate the assistance of a victim of domestic violence, dating violence, or stalking if DCHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the assisted property if the victim is not terminated from assistance [24 CFR 5.2005(d)(2)].

HUD regulations define *actual and imminent threat* to mean words, gestures, actions, or other indicators of a physical threat that (a) is real, (b) would occur within an immediate time frame, and (c) could result in death or serious bodily harm [24 CFR 5.2005(d)(2) and (e)]. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

- The duration of the risk
- The nature and severity of the potential harm
- The likelihood that the potential harm will occur
- The length of time before the potential harm would occur [24 CFR 5.2005(e)]

Even when a victim poses an actual and imminent threat, however, HUD regulations authorize DCHA to terminate the victim's assistance "only when there are no other actions that could be taken to reduce or eliminate the threat" [24 CFR 5.2005(d)(3)].

DCHA Policy

In determining whether a program participant who is a victim of domestic violence, dating violence, or stalking is an actual and imminent threat to other tenants or those employed at or providing service to a property, DCHA will consider the following, and any other relevant, factors:

Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, or stalking

Whether the threat is a physical danger beyond a speculative threat

Whether the threat is likely to happen within a short period of time

Whether the threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location or seeking a legal remedy to prevent the perpetrator from acting on the threat

If the participant wishes to contest DCHA's determination that he or she is an actual and imminent threat to other tenants or employees, the participant may do so as part of the informal hearing.

Documentation of Abuse [24 CFR 5.2007]

DCHA Policy

When an individual facing termination of assistance for reasons related to domestic violence, dating violence, or stalking claims protection under VAWA, DCHA will request that the individual provide documentation supporting the claim in accordance with the policies in section 16-IX.D of this plan.

DCHA reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the individual will suffice. In such cases DCHA will document the waiver in the individual's file.

Terminating the Assistance of a Domestic Violence Perpetrator

Although VAWA provides protection against termination of assistance for victims of domestic violence, it does not provide such protection for perpetrators. VAWA gives DCHA the explicit authority to "terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others" without terminating assistance to "or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant" [24 CFR 5.2009(a)]. This authority is not dependent on a bifurcated lease or other eviction action by an owner against an individual family member. Further, this authority supersedes any local, state, or other federal law to the contrary. However, if DCHA chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law regarding termination of assistance. This means that the DCHA must follow the same rules when terminating assistance to an individual as it would when terminating the assistance of an entire family [3/16/07 *Federal Register* notice on the applicability of VAWA to HUD programs].

DCHA Policy

DCHA will terminate assistance to a family member if DCHA determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the assistance of the remaining, nonculpable family members.

In making its decision, DCHA will consider all credible evidence, including, but not limited to, a signed certification (form HUD-50066) or other documentation of abuse submitted to DCHA by the victim in accordance with this section and section 16-IX.D. DCHA will also consider the factors in section 12-II.D. Upon such consideration, DCHA may, on a case-by-case basis, choose not to terminate the assistance of the culpable family member.
If DCHA does terminate the assistance of the culpable family member, it will do so in accordance with applicable law, HUD regulations, and the policies in this plan.

12-II.F. TERMINATION NOTICE [HCV GB, p. 15-7]

If a family's assistance is to be terminated, whether voluntarily or involuntarily, DCHA must give the family and the owner written notice that specifies:
- The reasons for which assistance has been terminated,
- The effective date of the termination,
- The family's right to an informal hearing as described in Chapter 16

If a criminal record is the basis of the termination, a copy of the record must accompany the notice. A copy of the criminal record also must be provided to the subject of the record [24 CFR 982.553(d)].

DCHA Policy

When termination is initiated by DCHA, the notice to terminate will be sent to the family and the owner at least 15 calendar days prior to the effective date of the termination. However, if a family vacates the unit without informing DCHA, 15 days notice will not be given. In these cases, the notice to terminate will be sent at the time DCHA learns the family has vacated the unit.

When a family requests to be terminated from the program they must do so in writing to DCHA (see section 12-I.C.). DCHA will then send a confirmation notice to the family and the owner within 10 business days of the family's request, but no later than the termination effective date (as requested by the family).

PART III: TERMINATION OF TENANCY BY THE OWNER
12-III.A. OVERVIEW

Termination of an assisted tenancy is a matter between the owner and the family; DCHA is not directly involved. However, the owner is under some constraints when terminating an assisted tenancy, and the reasons for which a tenancy is terminated dictate whether assistance also will be terminated.

12-III.B. GROUNDS FOR OWNER TERMINATION OF TENANCY [24 CFR 982.310 and Form HUD-52641-A, Tenancy Addendum]

During the term of the lease, the owner is not permitted to terminate the tenancy except for serious or repeated violations of the lease, certain violations of state or local law, or other good cause.

Serious or Repeated Lease Violations

The owner is permitted to terminate the family's tenancy for serious or repeated violations of the terms and conditions of the lease. This includes failure to pay rent or other amounts due under the lease. However, DCHA's failure to make a HAP payment to the owner is not a violation of the lease between the family and the owner.

Violation of Federal, State, or Local Law

The owner is permitted to terminate the tenancy if a family member violates federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

Criminal Activity or Alcohol Abuse

The owner may terminate tenancy during the term of the lease if any *covered person*, meaning any member of the household, a guest or another person under the tenant's control commits any of the following types of criminal activity (for applicable definitions see 24 CFR 5.100):

Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises);

Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises;

Any violent criminal activity on or near the premises; or

Any drug-related criminal activity on or near the premises.

The owner may terminate tenancy during the term of the lease if any member of the household is:

Fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or

Violating a condition of probation or parole imposed under federal or state law.

The owner may terminate tenancy for criminal activity by a household member in accordance with this section if the owner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.

The owner may terminate tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

Evidence of Criminal Activity

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a covered person if the owner determines they have engaged in the criminal activity, regardless of arrest or conviction and without satisfying the standard of proof used for a criminal conviction.

Other Good Cause

During the initial lease term, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the family did or failed to do. During the initial lease term or during any extension term, other good cause includes the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, "other good cause" for termination of tenancy by the owner includes:

Failure by the family to accept the offer of a new lease or revision;

he owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit; or

A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent).

After the initial lease term, the owner may give the family notice at any time, in accordance with the terms of the lease.

12-III.C. EVICTION [24 CFR 982.310(e) and (f) and Form HUD-52641-A, Tenancy Addendum]

The owner must give the tenant a written notice that specifies the grounds for termination of tenancy during the term of the lease. The tenancy does not terminate before the owner has given this notice, and the notice must be given at or before commencement of the eviction action. The notice of grounds may be included in, or may be combined with, any owner eviction notice to the tenant.

Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The owner may only evict the tenant

from the unit by instituting a court action. The owner must give DCHA a copy of any eviction notice at the same time the owner notifies the family. The family is also required to give DCHA a copy of any eviction notice (see Chapter 5).

DCHA Policy

If the eviction action is finalized in court, the owner must provide DCHA with documentation related to the eviction, including notice of the eviction date, as soon as possible, but no later than 10 business days following the court-ordered eviction.

12-III.D. DECIDING WHETHER TO TERMINATE TENANCY [24 CFR 982.310(h)]

An owner who has grounds to terminate a tenancy is not required to do so, and may consider all of the circumstances relevant to a particular case before making a decision. These might include:

The seriousness of the offending action;

The effect on the community of the termination, or of the owner's failure to terminate the tenancy;

The extent of participation by the leaseholder in the offending action;

The effect of termination of tenancy on household members not involved in the offending activity;

The demand for assisted housing by families who will adhere to lease responsibilities;

The extent to which the leaseholder has shown personal responsibility and taken a**l** reasonable steps to prevent or mitigate the offending action;

The effect of the owner's action on the integrity of the program.

The owner may require a family to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

In determining whether to terminate tenancy for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the owner may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the owner may require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

The owner's termination of tenancy actions must be consistent with the fair housing and equal opportunity provisions in 24 CFR 5.105.

12-III.E. EFFECT OF TERMINATION OF TENANCY ON THE FAMILY'S ASSISTANCE

If a termination is not due to a serious or repeated violation of the lease, and if DCHA has no other grounds for termination of assistance, DCHA may issue a new voucher so that the family can move with continued assistance (see Chapter 10).

EXHIBIT 12-1: STATEMENT OF FAMILY OBLIGATIONS

Following is a listing of a participant family's obligations under the HCV program:

The family must supply any information that DCHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.

The family must supply any information requested by DCHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.

The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.

Any information supplied by the family must be true and complete.

The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.

DCHA Policy

Damages beyond normal wear and tear will be considered to be damages which could be assessed against the security deposit.

The family must allow DCHA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.

The family must not commit any serious or repeated violation of the lease.

DCHA Policy

DCHA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction, or an owner's notice to evict.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criteria to be used is whether the reason for the eviction was through no fault of the tenant or guests.

The family must notify DCHA and the owner before moving out of the unit or terminating the lease.

DCHA Policy

The family must comply with lease requirements regarding written notice to the owner.

The family must provide written notice to DCHA at the same time the owner is notified.

The family must promptly give DCHA a copy of any owner eviction notice.

The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

The composition of the assisted family residing in the unit must be approved by DCHA.

The family must promptly notify DCHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request DCHA approval to add any other family member as an occupant of the unit.

DCHA Policy

The request to add a family member must be submitted in writing and approved in writing prior to
the person moving into the unit. DCHA will determine eligibility of the new member in accordance with the policies in Chapter 3.

The family must promptly notify the DCHA in writing if any family member no longer lives in the unit.

If DCHA has given approval, a foster child or a live-in aide may reside in the unit. DCHA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when DCHA consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (Sections I.K and I.M), and Chapter 11 (Section II.B).

The family must not sublease the unit, assign the lease, or transfer the unit.

DCHA Policy

Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

The family must supply any information requested by DCHA to verify that the family is living in the unit or information related to family absence from the unit.

The family must promptly notify DCHA when the family is absent from the unit.
DCHA Policy Notice is required under this provision only when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. Written notice must be provided to DCHA at the start of the extended absence.

The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].

The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).

Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).

Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and DCHA policies related to drug-related and violent criminal activity.

Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and DCHA policies related to alcohol abuse.

An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.

A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless DCHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

Chapter 13

OWNERS
INTRODUCTION

Owners play a central role in the HCV program by supplying decent, safe, and sanitary housing for participating families.
The term "owner" refers to any person or entity with the legal right to lease or sublease a unit to a participant in the HCV program [24 CFR 982.4(b)]. The term "owner" includes a principal or other interested party [24 CFR 982.453; 24 CFR 982.306(f)], such as a designated agent of the owner.
Owners have numerous responsibilities under the program, including screening and leasing to families, maintaining the dwelling unit, enforcing the lease, and complying with various contractual obligations. However, this chapter is not meant to be an overview of all aspects of owner participation in the HCV program.

The chapter is organized in two parts:

Part I: Owners in the HCV Program. This part discusses the role of an owner in DCHA's HCV program and highlights key owner rights and responsibilities.

Part II: HAP Contracts. This part explains provisions of the HAP contract and the relationship between DCHA and the owner as expressed in the HAP contract.
For detailed information about HCV program responsibilities and processes, including DCHA policies in key areas, owners will need to refer to several other chapters in this plan. Where appropriate, Chapter 13 will reference the other chapters.

PART I. OWNERS IN THE HCV PROGRAM

13-I.A. OWNER RECRUITMENT AND RETENTION [HCV GB, pp. 2-4 to 2-6]

Recruitment

DCHA is responsible for ensuring that very low income families have access to all types and ranges of affordable housing in DCHA's jurisdiction, particularly housing outside areas of poverty or minority concentration. A critical element in fulfilling this responsibility is for DCHA to ensure that a sufficient number of owners, representing all types and ranges of affordable housing in DCHA's jurisdiction, are willing to participate in the HCV program. To accomplish this objective, DCHA must identify and recruit new owners to participate in the program.

DCHA Policy

DCHA will conduct owner outreach to ensure that owners are familiar with the program and its advantages on an as needed basis. These outreach strategies will include:
Distributing printed material about the program to property owners and managers.

Participating in community based organizations comprised of private property and apartment owners and managers
Developing working relationships with owners and real estate brokers associations

Retention

In addition to recruiting owners to participate in the HCV program, DCHA must also provide the kind of customer service that will encourage participating owners to remain active in the program.

DCHA Policy

All DCHA activities that may affect an owner's ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy losses for owners.

DCHA will provide owners with a materials that explains the program, including HUD and DCHA policies and procedures, in easy-to-understand language.

DCHA will give special attention to helping new owners succeed through activities such as:

Providing the owner with a designated DCHA contact person. Coordinating inspection and leasing activities between DCHA, the owner, and the family. Initiating telephone contact with the owner to explain the inspection process, and providing an inspection booklet and other resource materials about HUD housing quality standards.
Providing other written information about how the program operates, additional services may be undertaken on an as-needed basis, and as resources permit.

13-I.B. BASIC HCV PROGRAM REQUIREMENTS

HUD requires DCHA to aid families in their housing search by providing the family with a list of landlords or other parties known to DCHA who may be willing to lease a unit to the family, or to help the family find a unit. Although DCHA cannot maintain a list of owners that are pre-qualified to participate in the program, owners may indicate to DCHA their willingness to lease a unit to an eligible HCV family, or to help the HCV family find a unit [24 CFR 982.301(b)(11)].

DCHA Policy

Owners that wish to indicate their willingness to lease a unit to an eligible HCV family or to help the HCV family find a unit must notify DCHA. DCHA will maintain a listing of such owners and provide this listing to the HCV family as part of the informational briefing packet When a family approaches an owner to apply for tenancy, the owner is responsible for screening the family and deciding whether to lease to the family, just as the owner would with any potential tenant. DCHA has no liability or responsibility to the owner or

other persons for the family's behavior or suitability for tenancy. See chapters 3 and 9 for more detail on tenant family screening policies and process.

If the owner is willing, the family and the owner must jointly complete a Request for Tenancy Approval (RTA, Form HUD 52517), which constitutes the family's request for assistance in the specified unit, and which documents the owner's willingness to lease to the family and to follow the program's requirements. When submitted to DCHA, this document is the first step in the process of obtaining approval for the family to receive the financial assistance it will need in order to occupy the unit. Also submitted with the RTA is a copy of the owner's proposed dwelling lease, including the HUD-required Tenancy Addendum (Form HUD-52641-A). See Chapter 9 for more detail on request for tenancy approval policies and process.

HUD regulations stipulate that an assisted tenancy can be approved only under certain conditions. The owner must be qualified to participate in the program [24 CFR 982.306]. Some owners are precluded from participating in the program, or from renting to a particular family, either because of their past history with this or another federal housing program, or because of certain conflicts of interest. Owner qualifications are discussed later in this chapter.

The selected unit must be of a type that is eligible for the program [24 CFR 982.305(a)]. Certain types of dwelling units cannot be assisted under the HCV program. Other types may be assisted under certain conditions. In addition, the owner must document legal ownership of the specified unit. See chapter 9 for more detail on unit eligibility policies and process. The selected unit must meet HUD's Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD [24 CFR 982.305(a)]. DCHA will inspect the owner's dwelling unit at various stages of HCV program participation, to ensure that the unit continues to meet HQS requirements. See chapter 8 for a discussion of the HQS standards, as well as the process for HQS inspections at initial lease-up and throughout the family's tenancy.

DCHA must determine that the cost of the unit is reasonable [24 CFR 982.305(a)]. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See chapter 8 for a discussion of requirements and policies on rent reasonableness, rent comparability and the rent reasonableness determination process.

At initial lease-up of a unit, DCHA must determine that the share of rent to be paid by the family does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]. See chapter 6 for a discussion of the calculation of family income, family share of rent and HAP.

The dwelling lease must comply with all program requirements [24 CFR 982.308]. Owners are encouraged to use their standard leases when renting to an assisted family. However, the HCV program requires that the Tenancy Addendum, which helps standardize the tenancy requirements for all assisted families, be added word-for-word to that lease. See chapter 9 for a discussion of the dwelling lease and tenancy addendum, including lease terms and provisions. DCHA and the owner enter into a formal contractual relationship by executing the Housing Assistance Payment (HAP) Contract (Form HUD-52641). The HAP contract format is prescribed by HUD. See chapter 9 for a discussion of the HAP contract execution process. Specific HAP contract provisions and responsibilities are discussed later in this chapter 13.

13-I.C. OWNER RESPONSIBILITIES [24 CFR 982.452]

The basic owner responsibilities in the HCV program are outlined in the regulations as follows:

Performing all of the owner's obligations under the Housing Assistance Payments (HAP) contract and the lease

Performing all management and rental functions for the assisted unit, including selecting a voucher-holder to lease the unit, and deciding if the family is suitable for tenancy of the unit

Maintaining the unit in accordance with the Housing Quality Standards (HQS), including performance of ordinary and extraordinary maintenance

Complying with equal opportunity requirements

Preparing and furnishing to DCHA information required under the HAP contract

Collecting from the family any security deposit, the tenant's contribution to rent (that part of rent to owner not covered by the housing assistance payment from DCHA), and any charges for unit damage by the family.

Enforcing tenant obligations under the dwelling lease

Paying for utilities and services (unless paid by the family under the lease)

- Allow reasonable modifications to a dwelling unit occupied or to be occupied by a disabled person [24 CFR 100.203]
- Complying with the Violence against Women Reauthorization Act of 2013 (VAWA) when screening prospective HCV tenants or terminating the tenancy of an HCV family (see 24 CFR Part 5, Subpart L; 24 CFR 982.310(h)(4); and 24 CFR 982.452(b)(1))

13-I.D. OWNER QUALIFICATIONS

DCHA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where DCHA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program [24 CFR 982.306(e)].

Owners Barred from Participation [24 CFR 982.306(a) and (b)]

DCHA must not approve the assisted tenancy if DCHA has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24. HUD may direct DCHA not to approve a tenancy request if a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, or if such an action is pending.

Leasing to Relatives [24 CFR 982.306(d), HCV GB p. 11-2]

DCHA must not approve an RTA if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. DCHA may make an exception as a reasonable accommodation for a family member with a disability. The owner is required to certify that no such relationship exists. This restriction applies at the time that the family receives assistance

under the HCV program for occupancy of a particular unit. Current contracts on behalf of owners and families that are related may continue, but any new leases or contracts for these families may not be approved.

Conflict of Interest [24 CFR 982.161; HCV GB p. 8-19]

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

Any present or former member or officer of the PHA (except a participant commissioner)

Any employee of DCHA, or any contractor, subcontractor or agent of DCHA, who formulates policy or who influences decisions with respect to the programs

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

Any member of the Congress of the United States

HUD may waive the conflict of interest requirements, except for members of Congress, for good cause. DCHA must submit a waiver request to the appropriate HUD Field Office for determination. Any waiver request submitted by DCHA must include [HCV Guidebook pp.11-2 and 11-3]:

Complete statement of the facts of the case;

Analysis of the specific conflict of interest provision of the HAP contract and justification as to why the provision should be waived;

Analysis of and statement of consistency with state and local laws. The local HUD office, DCHA, or both parties may conduct this analysis. Where appropriate, an opinion by the state's attorney general should be obtained;

Opinion by the local HUD office as to whether there would be an appearance of impropriety if the waiver were granted;

Statement regarding alternative existing housing available for lease under the HCV program or other assisted housing if the waiver is denied;

If the case involves a hardship for a particular family, statement of the circumstances and discussion of possible alternatives;

If the case involves a public official or member of the governing body, explanation of his/her duties under state or local law, including reference to any responsibilities involving the HCV program;

If the case involves employment of a family member by DCHA or assistance under the HCV program for an eligible DCHA employee, explanation of the responsibilities and duties of the position, including any related to the HCV program;

If the case involves an investment on the part of a member, officer, or employee of DCHA, description of the nature of the investment, including disclosure/divestiture plans.

Where DCHA has requested a conflict of interest waiver, DCHA may not execute the HAP contract until HUD has made a decision on the waiver request.

DCHA Policy

In considering whether to request a conflict of interest waiver from HUD, DCHA will consider factors the reasons for waiving the requirement; consistency with state and local

laws; the existence of alternative housing available to families; the individual circumstances of a particular family; the specific duties of individuals whose positions present a possible conflict of interest; the nature of any financial investment in the property and plans for disclosure/divestiture; and the possible appearance of impropriety.

Owner Actions That May Result in Disapproval of a Tenancy Request [24 CFR 982.306(c)]

HUD regulations permit DCHA, at DCHA's discretion, to refuse to approve a request for tenancy if the owner has committed any of a number of different actions.

If DCHA disapproves a request for tenancy because an owner is not qualified, it may not terminate the HAP contract for any assisted families that are already living in the owner's properties unless the owner has violated the HAP contract for those units [HCV GB p. 11-4].

DCHA Policy

DCHA will refuse to approve a request for tenancy if any of the following are true:
The owner has violated obligations under a HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f);
The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
The owner has engaged in any drug-related criminal activity or any violent criminal activity;
The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program;
The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that: (i) Threatens the right to peaceful enjoyment of the premises by other residents; (ii) Threatens the health or safety of other residents, of employees of DCHA, or of owner employees or other persons engaged in management of the housing; (iii) Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or (iv) Is drug-related criminal activity or violent criminal activity
The owner has a history or practice of renting units that fail to meet state or local housing codes;
The owner has not paid state or local real estate taxes, fines, or assessment
In considering whether to disapprove owners for any of the discretionary reasons listed above, DCHA will consider any mitigating factors. Such factors may include, but are not limited to, the seriousness of the violation in relation to program requirements, the impact on the ability of families to lease units under the program, health and safety of participating families, among others.

13-I.E. NON-DISCRIMINATION [HAP Contract – Form HUD-52641]

The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability, in connection with any actions or responsibilities under the HCV program and the HAP contract with DCHA.
The owner must cooperate with DCHA and with HUD in conducting any equal opportunity compliance reviews and complaint investigations in connection with the HCV program and the HAP contract with DCHA.
See Chapter 2 for a more thorough discussion of Fair Housing and Equal Opportunity requirements in the HCV program.

PART II. HAP CONTRACTS

13-II.A. OVERVIEW

The HAP contract represents a written agreement between DCHA and the owner of the dwelling unit occupied by a HCV assisted family. The contract spells out the owner's responsibilities under the program, as well as DCHA's obligations. Under the HAP contract, DCHA agrees to make housing assistance payments to the owner on behalf of a specific family occupying a specific unit. All Payments will be made electronically.

The HAP contract is used for all HCV program tenancies except for assistance under the Section 8 homeownership program, and assistance to families that own a manufactured home and lease the space. See chapter 15 for a discussion of any special housing types included in DCHA's HCV program.
If DCHA has given approval for the family of the assisted tenancy, the owner and DCHA execute the HAP contract. See chapter 9 for a discussion of the leasing process, including provisions for execution of the HAP contract.

13-II.B. HAP CONTRACT CONTENTS

The HAP contract format is required by HUD, specifically Housing Assistance Payment (HAP) Contract, Form HUD-52641.

The HAP contract contains three parts.

Part A of the contract includes basic **contract information** about the name of the tenant family, address of the contract unit, names of all household members, first and last dates of initial lease term, amount of initial monthly rent to owner, amount of initial housing assistance payment, utilities and appliances to be supplied by owner and tenant, signatures of DCHA and owner. In general, the HAP contract cannot be modified. However,

DCHA does have the discretion to add language to Part A of the HAP contract which prohibits the owner from collecting a security deposit in excess of private market practices or in excess of amounts charged to unassisted tenants. DCHA policy on the amount of security deposit an owner may collect is found in chapter 9.

In addition, DCHAs have the discretion to add language to Part A of the HAP contract that defines when the housing assistance payment by DCHA is deemed received by the owner (e.g., upon mailing by DCHA or actual receipt by the owner).

DCHA Policy

DCHA has not adopted a policy that defines when the housing assistance payment by DCHA is deemed received by the owner. Therefore, no modifications to the HAP contract will be necessary.

Part B is the body of the contract. It describes in detail program requirements affecting the owner and owner roles and responsibilities under the HCV program. Most of the requirements contained in Part B of the HAP contract are outlined elsewhere in this plan. Topics addressed in Part B include:

- Lease of Contract Unit
- Maintenance, Utilities, and Other Services
- Term of HAP Contract
- Provision and Payment of Utilities and Appliances
- Rent to Owner: Reasonable Rent
- PHA Payment to Owner
- Prohibition of Discrimination
- Owner's Breach of HAP Contract
- DCHA and HUD Access to Premises and Owner's Records
- Exclusion of Third Party Rights
- Conflict of Interest
- Assignment of the HAP Contract
- Written Notices
- Entire Agreement Interpretation

Part C of the contract includes the Tenancy Addendum (Form HUD-52641-A). The addendum sets forth the tenancy requirements for the program and the composition of the household, as approved by DCHA. The owner must sign the HUD Tenancy Addendum with the prospective tenant, and the tenant has the right to enforce the Tenancy Addendum against the owner. The terms of the Tenancy Addendum prevail over any other provisions of the lease.

13-II.C. HAP CONTRACT PAYMENTS

General

During the term of the HAP contract, and subject to the provisions of the HAP contract, DCHA must make monthly HAP payments to the owner on behalf of the family, at the beginning of each month. If a lease term begins after the first of the month, the HAP payment for the first month is prorated for a partial month.

The amount of the HAP payment is determined according to the policies described in Chapter 6, and is subject to change during the term of the HAP contract. DCHA must notify the owner and the family in writing of any changes in the HAP payment.
HAP payments can be made only during the lease term, and only while the family is residing in the unit. The monthly HAP payment by DCHA is credited toward the monthly rent to owner under the family's lease. The total of the rent paid by the tenant, plus DCHA HAP payment, should be equal to the rent specified in the lease (the rent to owner).

The family is not responsible for payment of the HAP payment, and DCHA is not responsible for payment of the family share of rent.

The family's share of the rent cannot be more than the difference between the total rent to the owner and the HAP payment. The owner may not demand or accept any rent payment from the tenant in excess of this maximum [24 CFR 982.451(b)(4)]. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)]. See chapter 9 for a discussion of separate, non-lease agreements for services, appliances and other items that are not included in the lease.

If the owner receives any excess HAP from DCHA, the excess amount must be returned immediately. If DCHA determines that the owner is not entitled to all or a portion of the HAP, DCHA may deduct the amount of overpayment from any amounts due to the owner, including amounts due under any other Section 8 HCV contract. See Chapter 16 for additional detail on owner reimbursement of HAP overpayments.

Owner Certification of Compliance

Unless the owner complies with all provisions of the HAP contract, the owner is not entitled to receive housing assistance payments under the HAP contract [HAP Contract – Form HUD-52641].
By endorsing the monthly check from DCHA, the owner certifies to compliance with the terms of the HAP contract. This includes certification that the owner is maintaining the unit and premises in accordance with HQS; that the contract unit is leased to the tenant family and, to the best of the owner's knowledge, the family resides in the unit as the family's only residence; the rent to owner does not exceed rents charged by the owner for comparable unassisted units on the premises; and that the owner does not receive (other than rent to owner) any additional payments or other consideration for rent of the contract unit during the HAP term.

Late HAP Payments [24 CFR 982.451(a)(5)]

DCHA is responsible for making HAP payments promptly when due to the owner, in accordance with the terms of the HAP contract. After the first two calendar months of the HAP contract term, the HAP contract provides for penalties if DCHA fails to make the HAP payment on time.
Penalties for late HAP payments can only be imposed if 1) the penalties are in accordance with generally accepted local rental market practices and law governing penalties for late payment by

tenants; 2) it is the owner's normal business practice to charge late payment penalties for both assisted and unassisted families; and 3) the owner charges the assisted family for late payment of the family's share of the rent.
DCHA is not required to pay a late payment penalty if HUD determines that the payment is late for reasons beyond DCHA's control. In addition, late payment penalties are not required if DCHA intentionally delays or denies payment as a remedy to an owner breach of the HAP contract [HCV Guidebook p. 11-7].

Termination of HAP Payments

DCHA must continue making housing assistance payments to the owner in accordance with the HAP contract as long as the tenant continues to occupy the unit and the HAP contract is not violated.
HAP payments terminate when the HAP contract terminates or when the tenancy is terminated in accordance with the terms of the lease.
If the owner has initiated eviction proceedings against the family and the family continues to reside in the unit, DCHA must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant.

DCHA Policy

The owner must inform DCHA when the owner has initiated eviction proceedings against the family and the family continues to reside in the unit.

The owner must inform DCHA when the owner has obtained a court judgment or other process allowing the owner to evict the tenant, and provide DCHA with a copy of such judgment or determination.

After the owner has obtained a court judgment or other process allowing the owner to evict the tenant, DCHA will continue to make HAP payments to the owner until the family actually moves from the unit or until the family is physically evicted from the unit, whichever is earlier. The owner must inform DCHA of the date when the family actually moves from the unit or the family is physically evicted from the unit.

13-II.D. BREACH OF HAP CONTRACT [24 CFR 982.453]

Any of the following actions by the owner constitutes a breach of the HAP contract:
If the owner violates any obligations under the HAP contract including failure to maintain the unit in accordance with HQS
If the owner has violated any obligation under any other HAP contract under Section 8
If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program
For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulation ns for the applicable program; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan

If the owner has engaged in drug-related criminal activity
If the owner has committed any violent criminal activity

If the PHA determines that a breach of the HAP contract has occurred, it may exercise any of its rights and remedies under the HAP contract.

DCHA rights and remedies against the owner under the HAP contract include recovery of any HAP overpayment, suspension of housing assistance payments, abatement or reduction of the housing assistance payment, termination of the payment or termination the HAP contract. DCHA may also obtain additional relief by judicial order or action.

DCHA must notify the owner of its determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. DCHA must provide the owner with written notice of any reduction in housing assistance payments or the termination of the HAP contract.

DCHA Policy

Before DCHA invokes a remedy against an owner, DCHA will evaluate all information and documents available to determine if the contract has been breached.

If relevant, DCHA will conduct an audit of the owner's records pertaining to the tenancy or unit.

If it is determined that the owner has breached the contract, DCHA will consider all of the relevant factors including the seriousness of the breach, the effect on the family, the owner's record of compliance and the number and seriousness of any prior HAP contract violations.

13-II.E. HAP CONTRACT TERM AND TERMINATIONS

The term of the HAP contract runs concurrently with the term of the dwelling lease [24 CFR 982.451(a)(2)], beginning on the first day of the initial term of the lease and terminating on the last day of the term of the lease, including any lease term extensions.

The HAP contract and the housing assistance payments made under the HAP contract terminate if:

The owner or the family terminates the lease;
The lease expires;
DCHA terminates the HAP contract;
DCHA terminates assistance for the family;
The family moves from the assisted unit. In this situation, the owner is entitled to keep the housing assistance payment for the month when the family moves out of the unit.
180 calendar days have elapsed since DCHA made the last housing assistance payment to the owner;
The family is absent from the unit for longer than the maximum period permitted by DCHA;
The Annual Contributions Contract (ACC) between the PHA and HUD expires
DCHA elects to terminate the HAP contract.

DCHA Policy

DCHA may elect to terminate the HAP contract in each of the following situations:

Available program funding is not sufficient to support continued assistance for families in the program [24 CFR 982.454];
The unit does not meet HQS size requirements due to change in family composition [24 CFR 982.403] – see chapter 8;
The unit does not meet HQS [24 CFR 982.404] – see chapter 8;
The family breaks up [HUD Form 52641] – see chapter 3;
The owner breaches the HAP contract [24 CFR 982.453(b)] – see Section 13-II.D.
If DCHA terminates the HAP contract, DCHA must give the owner and the family written notice. The notice must specify the reasons for the termination and the effective date of the termination. Once a HAP contract is terminated, no further HAP payments may be made under that contract [HCV Guidebook pg.15-4].

DCHA Policy

In all cases, the HAP contract terminates at the end of the calendar month that follows the calendar month in which DCHA gives written notice to the owner. The owner is not entitled to any housing assistance payment after this period, and must return to the DCHA any housing assistance payment received after this period.

If the family moves from the assisted unit into a new unit, even if the new unit is in the same building or complex as the assisted unit, the HAP contract for the assisted unit terminates. A new HAP contract would be required [HCV GB, p. 11-17].
When the family moves from an assisted unit into a new unit, the term of the HAP contract for the new unit may begin in the same month in which the family moves out of its old unit. This is not considered a duplicative subsidy [HCV GB, p. 8-22].

13-II.F. CHANGE IN OWNERSHIP / ASSIGNMENT OF THE HAP CONTRACT [HUD-52641]
The HAP contract cannot be assigned to a new owner without the prior written consent of DCHA.

An owner under a HAP contract must notify DCHA in writing prior to a change in the legal ownership of the unit. The owner must supply all information as requested by DCHA. The assignment will be approved only if the new owner is qualified to become an owner under the HCV program according to the policies in Section 13-I.D. of this chapter. Prior to approval of assignment to a new owner, the new owner must agree to be bound by and comply with the HAP contract. The agreement between the new owner and the former owner must be in writing and in a form that DCHA finds acceptable. The new owner must provide DCHA with a copy of the executed agreement.

DCHA Policy

DCHA must receive a signed, written request from the existing owner stating the name and address of the new HAP payee and the effective date of the assignment in order to change the HAP payee under an outstanding HAP contract.

Within 10 business days of receiving the owner's request, DCHA will inform the current owner in writing whether the assignment may take place.

If the new owner does not agree to an assignment of the HAP contract, or fails to provide the necessary documents, DCHA will terminate the HAP contract with the old owner. If the new owner wants to offer the family a new lease, and the family elects to stay with continued assistance, DCHA will process the leasing in accordance with the policies in chapter 9.

13-II.G. FORECLOSURE [HUD-52641 and Notice PIH 2010-49]

Families receiving HCV assistance are entitled to certain protections set forth under the Protecting Tenants at Foreclosure Act (PTFA). Specifically, the HAP contract now contains language stating that in the case of any foreclosure, the immediate successor in interest in the property pursuant to the foreclosure will assume such interest subject to the lease between the prior owner and the tenant, and to the HAP contract between the prior owner and the PHA for the occupied unit. This provision of the HAP contract does not affect any state or local law that provides longer time periods or other additional protections for tenants.
If the PHA learns that a property is in foreclosure, it must take the following actions:

- Make all reasonable efforts to determine the status of the foreclosure and ownership of the property. (Further guidance on how to obtain this information can be found in Notice PIH 2010-49.)
- Continue to make payments to the original owner until ownership legally transfers in accordance with the HAP contract.
- Attempt to obtain a written acknowledgement of the assignment of the HAP contract from the successor in interest. The written agreement should include a request for owner information, such as a tax identification number, and payment instructions from the new owner. Even if the new owner does not acknowledge the assignment of the HAP contract in writing, the assignment is still effective by operation of law.
- Inform the tenant that they must continue to pay rent in accordance with the lease, and if the successor in interest refuses to accept payment or cannot be identified, the tenant should pay rent into escrow. Failure to pay rent may constitute an independent ground for eviction.
- Inform the tenant in the event that the PHA is unable to make HAP payments to the successor in interest due an action or inaction by the successor that prevents such payments (e.g., rejection of payments or failure to maintain the property according to HQS), or due to an inability to identify the successor. The PHA should also refer the tenant, as needed, to the local legal aid office in order to ensure adequate protection of the tenant's rights and enforcement of the successor in interest's performance under the HAP contract.
- Make reasonable inquiries to determine whether the unit, in addition to having a tenant receiving HCV assistance, will be or has been assisted under the Neighborhood Stabilization Program (NSP). (For further guidance on cases in where the units have been assisted under the NSP, see Notice PIH 2010-49.)

PHAs are also required to notify HCV applicants who have been issued a voucher, participant heads of household, and current and prospective owners of HCV-assisted housing of the protections afforded to tenants under the PTFA.

PHA Policy

The PHA will provide all HCV applicants that have been issued a voucher with information regarding the PTFA at admission (see Section 5-I.B) and to participant heads of household at annual reexamination.

The PHA will provide information regarding the PTFA to prospective owners when they begin their participation in the HCV program, and to current HCV owners one time with the monthly HAP.

Note that the foreclosure provision of the HAP contract and additional tenant protections under the Protecting Tenants at Foreclosure Act will sunset December 31, 2014.

See Section 12-III.B for a discussion of foreclosure as it pertains to owner termination of tenancy.

Chapter 14

PROGRAM INTEGRITY
INTRODUCTION

DCHA is committed to ensuring that subsidy funds made available to DCHA are spent in accordance with HUD requirements.
This chapter covers HUD and DCHA policies designed to prevent, detect, investigate and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents PHA policies related to preventing, detecting, and investigating errors and program abuse.

Part II: Corrective Measures and Penalties. This part describes the corrective measures the PHA must and may take when errors or program abuses are found.

PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE

14-I.A. PREVENTING ERRORS AND PROGRAM ABUSE

DCHA Policy

DCHA anticipates that the vast majority of families, owners, and DCHA employees intend to and will comply with program requirements and make reasonable efforts to avoid errors.
To ensure that DCHA's HCV program is administered effectively and according to the highest ethical and legal standards, DCHA will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.
DCHA will discuss program compliance and integrity issues during the voucher briefing sessions described in Chapter 5.
DCHA will provide each applicant and participant with the publication *Things You Should Know (HUD-1140-OIG)* that explains the types of actions a family must avoid and the penalties for program abuse.
DCHA will place a warning statement about the penalties for fraud (as described in the False Statement Act, U.S.C. 1001 and 1010) on key DCHA forms and form letters that request information from a family or owner.
DCHA staff will be required to review and explain the contents of all HUD- and DCHA-required forms prior to requesting family member signatures.
DCHA will require first-time owners (or their agents) to participate in a briefing session on HAP contract requirements.
DCHA will provide each DCHA employee with the necessary training on program rules and the organization's standards of conduct and ethics.

For purposes of this chapter the term *error* refers to an unintentional error or omission. P*rogram abuse or fraud* refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

14-I.B. DETECTING ERRORS AND PROGRAM ABUSE

In addition to taking steps to prevent errors and program abuse, DCHA will use a variety of activities to detect errors and program abuse.

Quality Control and Analysis of Data

Under the Section 8 Management Assessment Program (SEMAP), HUD requires DCHA to review a random sample of tenant records annually to determine if the records conform to program requirements and to conduct quality control inspections of a sample of units to ensure HQS compliance [24 CFR, Part 985]. (See Chapter 16 for additional information about SEMAP requirements).

DCHA Policy

In addition to the SEMAP quality control requirements, DCHA will employ a variety of methods to detect errors and program abuse.
DCHA routinely will use available sources of up-front income verification to compare with family-provided information.
At each annual reexamination, current information provided by the family will be compared to information provided at the last annual reexamination to identify inconsistencies and incomplete information.
DCHA will compare family-reported income and expenditures to detect possible unreported income.

Independent Audits and HUD Monitoring

OMB Circular A-133 requires all PHAs that expend $500,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of DCHA activities and notifies DCHA of errors and potential cases of program abuse.

Individual Reporting of Possible Errors and Program Abuse

DCHA Policy

DCHA will encourage staff, program participants, and the public to report possible program abuse.

14-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE

When the PHA Will Investigate

DCHA Policy

DCHA will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant

investigation. In order for DCHA to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

DCHA will investigate inconsistent information related to the family that is identified through file reviews and the verification process.

Consent to Release of Information [24 CFR 982.516]

DCHA may investigate possible instances of error or abuse using all available DCHA and public records. If necessary, DCHA will require HCV families to give consent to the release of additional information.

Analysis and Findings

DCHA Policy

DCHA will base its evaluation on a preponderance of the evidence collected during its investigation.
Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence that as a whole shows that the fact sought to be proved is more probable than not. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence
For each investigation DCHA will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed DCHA, and (3) what corrective measures or penalties will be assessed.

Consideration of Remedies

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

DCHA Policy

In the case of family-caused errors or program abuse, DCHA will take into

consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

In the case of owner-caused errors or program abuse, DCHA will take into consideration (1) the seriousness of the offense, (2) the length of time since the violation has occurred, and (3) the effects of a particular remedy on family members who were not involved in the offense.

Notice and Appeals

DCHA Policy

DCHA will inform the relevant party in writing of its findings and remedies within 10 business days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which DCHA determined the error or program abuses, (3) the remedies to be employed, and (4) the families right to appeal the results through the informal review or hearing process, if applicable (see Chapter 16).

PART II: CORRECTIVE MEASURES AND PENALTIES
14-II.A. SUBSIDY UNDER- OR OVERPAYMENTS

A subsidy under- or overpayment includes (1) an incorrect housing assistance payment to the owner, (2) an incorrect family share established for the family, and (3) an incorrect utility reimbursement to a family.

Corrections
Whether the incorrect subsidy determination is an overpayment or underpayment of subsidy, DCHA must promptly correct the HAP, family share, and any utility reimbursement prospectively.

DCHA Policy
Increases in the family share will be implemented only after the family has received 15 days' notice. Any decreases in family share will become effective the first of the month following the discovery of the error.

Reimbursement
Whether the family or owner is required to reimburse DCHA or DCHA is required to make retroactive subsidy payments to the owner or family depends upon which party is responsible for the incorrect subsidy payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

14-II.B. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE

Family obligations and general administrative requirements for participating in the program are discussed throughout this plan. This section deals specifically with errors and program abuse by family members. An incorrect subsidy determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the PHA to use incorrect information provided by a third
party.

Family Reimbursement to PHA [HCV GB pp. 22-12 to 22-13]

DCHA Policy

In the case of family-caused errors or program abuse, the family will be required to repay any excess subsidy received. DCHA may, but is not required to, offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the excess subsidy, DCHA will terminate the family's assistance in accordance with the policies in Chapter 12.

DCHA Reimbursement to Family [HCV GB p. 22-12]

DCHA Policy

DCHA will not reimburse the family for any underpayment of assistance when the underpayment clearly is caused by the family.

Prohibited Actions

An applicant or participant in the HCV program must not knowingly:
Make a false statement to the PHA [Title 18 U.S.C. Section 1001].
Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.552(c)(iv)].

DCHA Policy

Any of the following will be considered evidence of family program abuse:
Payment to the owner in excess of amounts authorized by DCHA for rent, security deposit, and additional services Offering bribes or illegal gratuities to DCHA Board of Commissioners, employees, contractors, or other DCHA representatives
Offering payments or other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to DCHA on the family's behalf Use of a false name or the use of falsified, forged, or altered documents
Intentional misreporting of family information or circumstances (e.g. income, family composition)
Omitted facts that were obviously known by a family member (e.g., not reporting

employment income)
Admission of program abuse by an adult family member
DCHA may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

Penalties for Program Abuse

In the case of program abuse caused by a family DCHA may, at its discretion, impose any of the following remedies.

DCHA may require the family to repay excess subsidy amounts paid by DCHA, as described earlier in this section.

DCHA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 12 (for participants).

DCHA may deny or terminate the family's assistance following the policies set forth in Chapter 3 and Chapter 12 respectively.

DCHA may refer the family for state or federal criminal prosecution as described in section 14-II.E.

14-II.C. OWNER-CAUSED ERROR OR PROGRAM ABUSE

Owner requirements that are part of the regular process of offering, leasing, and maintaining a unit (e.g., HQS compliance, fair housing) are addressed in the appropriate chapters of this plan. This section focuses on errors and program abuse by owners.
An incorrect subsidy determination caused by an owner generally would be the result of an incorrect owner statement about the characteristics of the assisted unit (e.g., the number of bedrooms, which utilities are paid by the family). It also includes accepting duplicate housing assistance payments for the same unit in the same month, or after a family no longer resides in the unit.

Owner Reimbursement to DCHA

In all cases of overpayment of subsidy caused by the owner, the owner must repay to the DCHA any excess subsidy received. DCHA may recover overpaid amounts by withholding housing assistance payments due for subsequent months, or if the debt is large, DCHA may allow the owner to pay in installments over a period of time.

DCHA Policy
In cases where the owner has received excess subsidy, the PHA will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.

Prohibited Owner Actions

An owner participating in the HCV program must not:
ϒ Make any false statement to the PHA [Title 18 U.S.C. Section 1001].

ϒ Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.453(a)(3)] including:

DCHA Policy

Any of the following will be considered evidence of owner program abuse:
Charging the family rent above or below the amount specified by DCHA
Charging a security deposit other than that specified in the family's lease
Charging the family for services that are provided to unassisted tenants at no extra
Charge Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit
Knowingly accepting incorrect or excess housing assistance payments
Offering bribes or illegal gratuities to DCHA Board of Commissioners, employees, contractors, or other DCHA representatives
Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to DCHA
Residing in the unit with an assisted family

Remedies and Penalties

When DCHA determines that the owner has committed program abuse, DCHA may take any of the following actions:

Require the owner to repay excess housing assistance payments, as discussed earlier in this section and in accordance with the policies in Chapter 16.

Terminate the HAP contract (See Chapter 13).

Bar the owner from future participation in any PHA programs.

Refer the case to state or federal officials for criminal prosecution as described in section 14-II.E.

14-II.D. PHA-CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of DCHA staff with respect to normal program administration are discussed throughout this plan. This section specifically addresses actions of DCHA staff member that are considered errors or program abuse related to the HCV program. Additional standards of conduct may be provided in DCHA personnel policy. DCHA-caused incorrect subsidy determinations include (1) failing to correctly apply HCV rules regarding family composition, income, assets, and expenses, (2) assigning the incorrect voucher size to a family, and (3) errors in calculation.

Repayment to DCHA

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

PHA Reimbursement to Family or Owner

DCHA must reimburse a family for any underpayment of subsidy, regardless of whether the underpayment was the result of staff-caused error or staff or owner program abuse. Funds for this reimbursement must come from DCHA's administrative fee reserves [HCV GB p. 22-12].

Prohibited Activities

DCHA Policy

Any of the following will be considered evidence of program abuse by DCHA staff:
Failing to comply with any HCV program requirements for personal gain
Failing to comply with any HCV program requirements as a result of a conflict of interest relationship with any applicant, participant, or owner
Seeking or accepting anything of material value from applicants, participating families, vendors, owners, contractors, or other persons who provide services or materials to DCHA Disclosing confidential or proprietary information to outside parties
Gaining profit as a result of insider knowledge of DCHA activities, policies, or Practices Misappropriating or misusing HCV funds
Destroying, concealing, removing, or inappropriately using any records related to the HCV program
Committing any other corrupt or criminal act in connection with any federal housing program

14-II.E. CRIMINAL PROSECUTION

DCHA Policy

When DCHA determines that program abuse by an owner, family, DCHA staff member has occurred and the amount of overpaid subsidy meets or exceeds the threshold for prosecution under local or state law, DCHA will refer the matter to the appropriate entity for prosecution. When the amount of overpaid assistance meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).
Other criminal violations related to the HCV program will be referred to the appropriate local, state, or federal entity.

14-II.F . FRAUD AND PROGRAM ABUSE RECOVERIES

DCHA may retain a portion of program fraud losses that DCHA recovers from a family or owner through litigation, court order, or a repayment agreement [24 CFR 982.163]. DCHA must be the principal party initiating or sustaining the action to recover amounts due from tenants that are due as a result of fraud and abuse. 24 CFR 792.202 permits the DCHA to retain the greater of:
ϒ 50 percent of the amount it actually collects from a judgment, litigation (including settlement of a lawsuit) or an administrative repayment agreement, or
ϒ Reasonable and necessary costs that DCHA incurs related to the collection including costs of investigation, legal fees, and agency collection fees.

The family must be afforded the opportunity for an informal hearing in accordance with requirements in 24 CFR 982.555.
If HUD incurs costs on behalf of DCHA related to the collection, these costs must be deducted from the amount retained by DCHA.

Chapter 15

SPECIAL HOUSING TYPES
[24 CFR 982 Subpart M]
INTRODUCTION

DCHA may permit a family to use any of the special housing types discussed in this chapter.

However, DCHA is not required to permit families receiving assistance in its jurisdiction to use these housing types, except that DCHA must permit use of any special housing type if needed as a reasonable accommodation for a person with a disability. DCHA also may limit the number of families who receive HCV assistance in these housing types and cannot require families to use a particular housing type. No special funding is provided for special housing types.

DCHA Policy

Families will not be permitted to use any special housing types, unless use is needed as a reasonable accommodation so that the program is readily accessible to a person with disabilities.
Special housing types include single room occupancy (SRO), congregate housing, group homes, shared housing, cooperative housing, manufactured homes where the family owns the home and leases the space, and homeownership [24 CFR 982.601].
This chapter consists of the following seven parts. Each part contains a description of the housing type and any special requirements associated with it. Except as modified by this chapter, the general requirements of the HCV program apply to special housing types.

Part I: Single Room Occupancy
Part II: Congregate Housing
Part III: Group Homes
Part IV: Shared Housing
Part V: Cooperative Housing
Part VI: Manufactured Homes (including manufactured home space rental)
Part VII: Homeownership

PART I. SINGLE ROOM OCCUPANCY
[24 CFR 982.602 through 982.605]

15-I.A. OVERVIEW

A single room occupancy (SRO) unit provides living and sleeping space for the exclusive use of the occupant but requires the occupant to share sanitary and/or food preparation facilities with others. More than one person may not occupy an SRO unit. HCV regulations do not limit the number of units in an SRO facility, but the size of a facility may be limited by local ordinances. When providing HCV assistance in an SRO unit, a separate lease and HAP contract are executed for each assisted person, and the standard form of the HAP contract is used.

15-I.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

The payment standard for SRO housing is 75 percent of the 0-bedroom payment standard amount on DCHA's payment standard schedule.
The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero bedroom utility allowance.
The HAP for an assisted occupant in an SRO facility is the lower of the SRO payment standard amount minus the TTP or the gross rent for the unit minus the TTP.

15-I.C. HOUSING QUALITY STANDARDS (HQS)

HQS requirements described in Chapter 8 apply to SRO housing except as modified below.

Access: Access doors to the SRO unit must have working locks for privacy. The occupant mustbe able to access the unit without going through any other unit. Each unit must have immediate access to two or more approved means of exit from the building, appropriately marked and leading to safe and open space at ground level. The SRO unit must also have any other means of exit required by State or local law.
Fire Safety: All SRO facilities must have a sprinkler system that protects major spaces. "Major spaces" are defined as hallways, common areas, and any other areas specified in local fire, building, or safety codes. SROs must also have hard-wired smoke detectors, and any other fire and safety equipment required by state or local law.
Sanitary facilities and space and security standards must meet local code requirements for SRO housing. In the absence of local code standards the requirements discussed below apply [24 CFR 982.605].
Sanitary Facilities: At least one flush toilet that can be used in privacy, a lavatory basin, and a bathtub or shower in proper operating condition must be provided for each six persons (or fewer) residing in the SRO facility. If the SRO units are leased only to men, flush urinals may be substituted for up to one half of the required number of toilets. Sanitary facilities must be reasonably accessible from a common hall or passageway, and may not be located more than one floor above or below the SRO unit. They may not be located below grade unless the SRO units are located on that level.
Space and Security: An SRO unit must contain at least 110 square feet of floor space, and at least four square feet of closet space with an unobstructed height of at least five feet, for use by the occupant. If the closet space is less than four square feet, the habitable floor space in the SRO unit must be increased by the amount of the deficiency. Exterior doors and windows accessible from outside the SRO unit must be lockable.
Because no children live in SRO housing, the housing quality standards applicable to lead-based paint do not apply.

PART II. CONGREGATE HOUSING

[24 CFR 982.606 through 982.609]

15-II.A. OVERVIEW

Congregate housing is intended for use by elderly persons or persons with disabilities. A congregate housing facility contains a shared central kitchen and dining area and a private living area for the individual household that includes at least a living room, bedroom and bathroom. Food service for residents must be provided.

If approved by DCHA, a family member or live-in aide may reside with the elderly person or person with disabilities. DCHA 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.

When providing HCV assistance in congregate housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

15-II.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

The payment standard for an individual unit in a congregate housing facility is based on the number of rooms in the private living area. If there is only one room in the unit (not including the bathroom or the kitchen, if a kitchen is provided), DCHA must use the payment standard for a 0-bedroom unit. If the unit has two or more rooms (other than the bathroom and the kitchen), DCHA must use the 1-bedroom payment standard.

The HAP for an assisted occupant in a congregate housing facility is the lower of the applicable payment standard minus the TTP or the gross rent for the unit minus the TTP.

The gross rent for the unit for the purpose of calculating HCV assistance is the shelter portion (including utilities) of the resident's monthly housing expense only. The residents' costs for food service should not be included in the rent for a congregate housing unit.

15-II.C. HOUSING QUALITY STANDARDS

HQS requirements as described in Chapter 8 apply to congregate housing except for the requirements stated below.

Congregate housing must have (1) a refrigerator of appropriate size in the private living area of each resident; (2) a central kitchen and dining facilities located within the premises and accessible to the residents, and (3) food service for the residents, that is not provided by the residents themselves.

The housing quality standards applicable to lead-based paint do not apply.

PART III. GROUP HOME

[24 CFR 982.610 through 982.614 and HCV GB p. 7-4]

15-III.A. OVERVIEW

A group home is a state-licensed facility intended for occupancy by elderly persons and/or persons with disabilities. Except for live-in aides, all persons living in a group home, whether

assisted or not, must be elderly persons or persons with disabilities. Persons living in a group home must not require continuous medical or nursing care.
A group home consists of bedrooms for residents, which can be shared by no more than two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.
No more than 12 persons may reside in a group home including assisted and unassisted residents and any live-in aides.
If approved by DCHA, a live-in aide may live in the group home with a person with disabilities. DCHA 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.
When providing HCV assistance in a group home, a separate lease and HAP contract is executed for each assisted family, and the standard form of the HAP contract is used.

15-III.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

Unless there is a live-in aide, the family unit size for an assisted occupant of a group home must be 0- or 1-bedroom, depending on DCHA's subsidy standard. If there is a live-in aide, the aide must be counted in determining the household's unit size.
The payment standard used to calculate the HAP is the lower of the payment standard for the family unit size or the prorate share of the payment standard for the group home size. The prorate share is calculated by dividing the number of persons in the assisted household by the number of persons (assisted and unassisted) living in the group home.
The HAP for an assisted occupant in a group home is the lower of the payment standard minus the TTP or the gross rent minus the TTP.
The utility allowance for an assisted occupant in a group home is the prorate share of the utility allowance for the group home.
The rents paid for participants residing in group homes are subject to generally applicable standards for rent reasonableness. The rent for an assisted person must not exceed the prorate portion of the reasonable rent for the group home. In determining reasonable rent, DCHA should consider whether sanitary facilities and facilities for food preparation and service are common facilities or private facilities.

15-III.C. HOUSING QUALITY STANDARDS

HQS requirements described in Chapter 8 apply to group homes except for the requirements stated below.

Sanitary Facilities: A group home must have at least one bathroom in the facility, with a flush toilet that can be used in privacy, a fixed basin with hot and cold running water, and a shower or bathtub with hot and cold running water. A group home may contain private or common bathrooms. However, no more than four residents can be required to share a bathroom.

Food Preparation and Service: Group home units must contain a kitchen and dining area with adequate space to store, prepare, and serve food. The facilities for food preparation and service may be private or may be shared by the residents. The kitchen must contain a range, an oven, a

refrigerator, and a sink with hot and cold running water. The sink must drain into an approvable public or private disposal system.

Space and Security: Group homes must contain at least one bedroom of appropriate size for every two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.
Structure and Material: To avoid any threat to the health and safety of the residents, group homes must be structurally sound. Elevators must be in good condition. Group homes must be accessible to and usable by residents with disabilities.
Site and Neighborhood: Group homes must be located in a residential setting. The site and neighborhood should be reasonably free from hazards to the health, safety, and general welfare of the residents, and should not be subject to serious adverse conditions, such as:
- Dangerous walks or steps
- Instability
- Flooding, poor drainage
- Septic tank back-ups
- Sewage hazards
- Mud slides
- Abnormal air pollution
- Smoke or dust
- Excessive noise
- Vibrations or vehicular traffic
- Excessive accumulations of trash
- Vermin or rodent infestation, and
- Fire hazards.
-

The housing quality standards applicable to lead-based paint do not apply.

PART IV. SHARED HOUSING

[24 CFR 982.615 through 982.618]

15-IV.I. OVERVIEW

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family.
An assisted family may share a unit with other persons assisted under the HCV program or with other unassisted persons. The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The resident owner may not be related by blood or marriage to the assisted family.
If approved by DCHA, a live-in aide may reside with the family to care for a person with disabilities. DCHA 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. When providing HCV assistance in shared housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

15-IV.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard for a family in shared housing is the lower of the payment standard for the family unit size or the prorate share of the payment standard for the shared housing unit size. The prorate share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private space by the total number of bedrooms in the unit.

The HAP for a family in shared housing is the lower of the payment standard minus the TTP or the gross rent minus the TTP. The utility allowance for an assisted family living in shared housing is the prorate share of the utility allowance for the shared housing unit.
The rents paid for families living in shared housing are subject to generally applicable standards for rent reasonableness. The rent paid to the owner for the assisted family must not exceed the pro-rata portion of the reasonable rent for the shared unit. In determining reasonable rent, DCHA should consider whether sanitary and food preparation areas are private or shared.

15-IV.C. HOUSING QUALITY STANDARDS

DCHA may not give approval to reside in shared housing unless the entire unit, including the portion of the unit available for use by the assisted family under its lease, meets the housing quality standards. HQS requirements described in Chapter 8 apply to shared housing except for the requirements stated below.

Facilities Available for the Family: Facilities available to the assisted family, whether shared or private, must include a living room, a bathroom, and food preparation and refuse disposal facilities.
Space and Security: The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one bedroom for each two persons in the family. The number of bedrooms in the private space of an assisted family must not be less than the family unit size. A 0-bedroom or 1-bedroom unit may not be used for shared housing.

PART V. COOPERATIVE HOUSING
[24 CFR 982.619]

15-V.A. OVERVIEW

This part applies to rental assistance for a cooperative member residing in cooperative housing. It does not apply to assistance for a cooperative member who has purchased membership under the HCV homeownership option, or to rental assistance for a family that leases a cooperative housing unit from a cooperative member.
A cooperative is a form of ownership (nonprofit corporation or association) in which the residents purchase memberships in the ownership entity. Rather than being charged "rent" a cooperative member is charged a "carrying charge."
When providing HCV assistance in cooperative housing, the standard form of the HAP contract is used.

15-V.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard and utility allowance are determined according to regular HCV program requirements.
The HAP for a cooperative housing unit is the lower of the payment standard minus the TTP or the monthly carrying charge for the unit, plus any utility allowance, minus the TTP. The monthly carrying charge includes the member's share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. The carrying charge does not include

down payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

15-V.C. HOUSING QUALITY STANDARDS

All standard HQS requirements apply to cooperative housing units. There are no additional HQS requirements.

PART VI. MANUFACTURED HOMES

[24 CFR 982.620 through 982.624]

15-VI.A. OVERVIEW

A manufactured home is a manufactured structure, transportable in one or more parts, that is built on a permanent chassis, and designed for use as a principal place of residence. HCV assisted families may occupy manufactured homes in two different ways.

(1) A family can choose to rent a manufactured home already installed on a space and the PHA must permit it. In this instance program rules are the same as when a family rents any other residential housing, except that there are special HQS requirements as provided in 15-VI.D below.

(2) HUD also permits an otherwise eligible family that owns a manufactured home to rent a space for the manufactured home and receive HCV assistance with the rent for the space. DCHA may, but are not required to, provide assistance for such families.

15-VI.B. SPECIAL POLICIES FOR MANUFACTURED HOME OWNERS WHO LEASE A SPACE

Family Income

In determining the annual income of families leasing manufactured home spaces, the value of the family's equity in the manufactured home in which the family resides is not counted as a family asset.

Lease and HAP Contract

There is a separate Tenancy Addendum (Form 52642-a) and separate HAP Contract (Form 52642) for this special housing type.

15-VI.C. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

Payment Standards

The FMR for a manufactured home space is generally 40 percent of the published FMR for a 2-bedroom unit or, where approved by HUD, the 40th percentile of the rental distribution of manufactured home spaces for the FMR area. DCHA may establish a payment standard for

manufactured home spaces that is between 90-110 percent of the FMR for manufactured home spaces.

Utility Allowance

DCHA must establish utility allowances for manufactured home space rental. For the first 12 months of the initial lease term only, the allowance must include an amount for a utility hook-up charge if the family actually incurred a hook-up charge because of a move. This allowance will not be given to a family that leases in place. Utility allowances for manufactured home space must not include the costs of digging a well or installing a septic system.

Space Rent

The space rent is the sum of the rent to the owner for the manufactured home space, any charges for maintenance and management provided by the owner, and the utility allowance for tenant paid utilities.

Housing Assistance Payment

The HAP for a manufactured home space under the housing choice voucher program is the lower of the payment standard minus the TTP or the (gross) manufactured home space rent minus the TTP.

Rent Reasonableness

Initially, and annually thereafter DCHA must determine that the rent for the manufactured home space is reasonable based on rents for comparable manufactured home spaces. DCHA must consider the location and size of the space, and any services and maintenance to be provided by the owner. By accepting the monthly HAP check, the owner certifies that the rent does not exceed rents charged by the owner for comparable unassisted spaces in the manufactured home park or elsewhere.

15-VI.D. HOUSING QUALITY STANDARDS

Under either type of occupancy described in 15-VI.A above, the manufactured home must meet all HQS performance requirements and acceptability criteria discussed in Chapter 8 of this plan. In addition, the following requirement applies:

Manufactured Home Tie-Down

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. The home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist overturning and sliding.

PART VII. HOMEOWNERSHIP
[24 CFR 982.625 through 982.643]

15-VII.A. OVERVIEW [24 CFR 982.625]

The homeownership **option** is used to assist a family residing in a home purchased and owned by one or more members of the family. A family assisted under this option may be newly admitted or an existing participant in the HCV program.

DCHA will no longer administer new homeownership families.

Current families will be grandfathered into the HCV program and will comply with all regulations.

15-VII.B. FAMILY ELIGIBILITY [24 CFR 982.627]

The family must meet all of the requirements listed below before the commencement of homeownership assistance. DCHA may also establish additional initial requirements as long as they are described in DCHA administrative plan.

The family must have been admitted to the Housing Choice Voucher program.

- The family must be in good standing with the Section 8 Voucher Program. Family must have acceptable mortgage ready credit rating between 620-650 from all three Credit Reporting Agencies, and successfully complete a Pennsylvania Housing Finance (PHFA) Comprehensive Counseling Class. In addition families are required to have a minimum of $3,000.00 in personal savings.ϒ The family must qualify as a first-time homeowner, or may be a cooperative member.

The family must meet the Federal minimum income requirement. The family must have a gross annual income equal to the Federal minimum wage multiplied by 2000, based on the income of adult family members who will oɷn the home. DCHA may establish a higher income standard for families. However, a family that meets the federal minimum income requirement (but not DCHA's requirement) will be considered to meet the minimum income requirement if it can demonstrate that it has been pre-qualified or pre-approved for financing that is sufficient to purchase an eligible unit.

For disabled families, the minimum income requirement is equal to the current SSI monthly payment for an individual living alone, multiplied by 12.

For elderly or disabled families, welfare assistance payments for adult family members who will own the home will be included in determining whether the family meets the minimum income requirement. It will not be included for other families.

The family must satisfy the employment requirements by demonstrating that one or more adult members of the family who will own the home at commencement of homeownership assistance is currently employed on a full-time basis (the term 'full-time employment' means not less than an average of 30 hours per week); and has been continuously so employed during the year before commencement of homeownership assistance for the family.

The employment requirement does not apply to elderly and disabled families. In addition, if a family, other than an elderly or disabled family includes a person with disabilities, DCHA must

grant an exemption from the employment requirement if the PHA determines that it is needed as a reasonable accommodation.

The family has not defaulted on a mortgage securing debt to purchase a home under the homeownership option

Except for cooperative members who have acquired cooperative membership shares prior to commencement of homeownership assistance, no family member has a present ownership interest in a residence at the commencement of homeownership assistance for the purchase of any home.

Except for cooperative members who have acquired cooperative membership shares prior to the commencement of homeownership assistance, the family has entered a contract of sale in accordance with 24 CFR 982.631(c).

15-VII.C. SELECTION OF FAMILIES [24 CFR 982.626]

Unless otherwise provided (under the homeownership option), DCHA may limit homeownership assistance to families or purposes defined by DCHA, and may prescribe additional requirements for commencement of homeownership assistance for a family. Any such limits or additional requirements must be described in DCHA administrative plan. If DCHA limits the number of families that may participate in the homeownership option, DCHA must establish a system by which to select families to participate. See above **15-VII.A. OVERVIEW [24 CFR 982.625]**

15-VII.D. ELIGIBLE UNITS [24 CFR 982.628]

In order for a unit to be eligible, DCHA must determine that the unit satisfies all of the following requirements:

ϒ The unit must meet HUD's "eligible housing" requirements. The unit may not be any of the following:

- A public housing or Indian housing unit;
- A unit receiving Section 8 project-based assistance;
- A nursing home, board and care home, or facility providing continual psychiatric, medical or nursing services;
- A college or other school dormitory;
- On the grounds of penal, reformatory, medical, mental, or similar public or private institutions.

The unit must be under construction or already exist at the time the family enters into the contract of sale.

The unit must be a one-unit property or a single dwelling unit in a cooperative or condominium.

The unit must have been inspected by DCHA and by an independent inspector designated by the family.

The unit must meet Housing Quality Standards (see Chapter 8).

For a unit where the family will not own fee title to the real property (such as a manufactured home), the home must have a permanent foundation and the family must have the right to occupy the site for at least 40 years.

For DCHA-owned units all of the following conditions must be satisfied:

- DCHA informs the family, both orally and in writing, that the family has the right to purchase any eligible unit and a DCHA-owned unit is freely selected by the family without DCHA pressure or steering.
- The unit is not ineligible housing.
-
- DCHA obtains the services of an independent agency to inspect the unit for compliance with HQS, review the independent inspection report, review the contract of sale, determine the reasonableness of the sales price and any DCHA provided financing.

All of these actions must be completed in accordance with program requirements.
DCHA must not approve the unit if DCHA has been informed that the seller is debarred, suspended, or subject to a limited denial of participation.

15-VII.E. ADDITIONAL PHA REQUIREMENTS FOR SEARCH AND PURCHASE [24 CFR 982.629]

It is the family's responsibility to find a home that meets the criteria for voucher homeownership assistance. The PHA may establish the maximum time that will be allowed for a family to locate and purchase a home, and may require the family to report on their progress in finding and purchasing a home. If the family is unable to purchase a home within the maximum time established by the PHA, the PHA may issue the family a voucher to lease a unit or place the family's name on the waiting list for a voucher.

15-VII.F. HOMEOWNERSHIP COUNSELING [24 CFR 982.630]

Before commencement of homeownership assistance for a family, the family must attend and satisfactorily complete the pre-assistance homeownership and housing counseling program required by the PHA. HUD suggests the following topics for the PHA-required pre-assistance counseling:

- **Home maintenance (including care of the grounds);**
- **Budgeting and money management;**
- **Credit counseling;**
- **How to negotiate the purchase price of a home;**
- **How to obtain homeownership financing and loan pre-approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing;**
- **How to find a home, including information about homeownership opportunities, schools, and transportation in the PHA jurisdiction;**

• Advantages of purchasing a home in an area that does not have a high concentration of low income families and how to locate homes in such areas;
• Information on fair housing, including fair housing lending and local fair housing enforcement agencies; and
• Information about the Real Estate Settlement Procedures Act (12 U.S.C. 2601 et seq.) (RESPA), state and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions.

The PHA may adapt the subjects covered in pre-assistance counseling (as listed) to local circumstances and the needs of individual families.

The PHA may also offer additional counseling after commencement of homeownership assistance (ongoing counseling). If the PHA offers a program of ongoing counseling for participants in the homeownership option, the PHA shall have discretion to determine whether the family is required to participate in the ongoing counseling.

If the PHA does not use a HUD-approved housing counseling agency to provide the counseling, the PHA should ensure that its counseling program is consistent with the counseling provided under HUD's Housing Counseling program.

15-VII.G. HOME INSPECTIONS, CONTRACT OF SALE, AND PHA DISAPPROVAL OF SELLER [24 CFR 982.631]

Home Inspections

The PHA may not commence monthly homeownership assistance payments for a family until the PHA has inspected the unit and has determined that the unit passes HQS.

An independent professional inspector selected by and paid for by the family must also inspect the unit. The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical, and heating systems. The independent inspector must be qualified to report on property conditions, including major building systems and components.

The PHA may not require the family to use an independent inspector selected by the PHA. The independent inspector may not be a PHA employee or contractor, or other person under control of the PHA. However, the PHA may establish standards for qualification of inspectors selected by families under the homeownership option.

The PHA may disapprove a unit for assistance based on information in the independent inspector's report, even if the unit was found to comply with HQS.

Contract of Sale

Before commencement of monthly homeownership assistance payments, a member or members

of the family must enter into a contract of sale with the seller of the unit to be acquired by the
family. The family must give the PHA a copy of the contract of sale. The contract of sale must:
• Specify the price and other terms of sale by the seller to the purchaser;
• Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by
an independent inspector selected by the purchaser;
• Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser;
• Provide that the purchaser is not obligated to pay for any necessary repairs; and
• Contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation under CFR part 24.
Disapproval of a Seller
In its administrative discretion, the PHA may deny approval of a seller for the same reasons a
PHA may disapprove an owner under the regular HCV program [see 24 CFR 982.306(c)].

15-VII.H. FINANCING [24 CFR 982.632]

The PHA may establish requirements for financing purchase of a home under the homeownership option. This may include requirements concerning qualification of lenders, terms of financing, restrictions concerning debt secured by the home, lender qualifications, loan terms, and affordability of the debt. The PHA must establish policies describing these requirements in the administrative plan.
A PHA may not require that families acquire financing from one or more specified lenders, thereby restricting the family's ability to secure favorable financing terms.

15-VII.I. CONTINUED ASSISTANCE REQUIREMENTS; FAMILY OBLIGATIONS [24 CFR 982.633]

Homeownership assistance may only be paid while the family is residing in the home. If the family moves out of the home, DCHA may not continue homeownership assistance after the month when the family moves out. The family or lender is not required to refund to the DCHA the homeownership assistance for the month when the family moves out.
Before commencement of homeownership assistance, the family must execute a statement in which the family agrees to comply with all family obligations under the homeownership option. The family must comply with the following obligations:

- The family must comply with the terms of the mortgage securing debt incurred to purchase thehome, or any refinancing of such debt.
- The family may not convey or transfer ownership of the home, except for purposes of financing, refinancing, or pending settlement of the estate of a deceased family member. Use and occupancy of the home are subject to 24 CFR 982.551 (h) and (i).
- The family must supply information to DCHA or HUD as specified in 24 CFR 982.551(b). The family must further supply any information required by DCHA or HUD concerning mortgage financing or refinancing, sale or transfer of any interest in the home, or homeownership expenses.
- The family must notify DCHA before moving out of the home.

- The family must notify DCHA if the family defaults on the mortgage used to purchase thehome.
- No family member may have any ownership interest in any other residential property.
- The family must comply with the obligations of a participant family described in 24 CFR982.551, except for the following provisions which do not apply to assistance under the homeownership option: 24 CFR 982.551(c), (d), (e), (f), (g) and (j).

MAXIMUM TERM OF HOMEOWNER ASSISTANCE [24 CFR 982.634]

Except in the case of a family that qualifies as an elderly or disabled family, other family members (described below) shall not receive homeownership assistance for more than:

- Fifteen years, if the initial mortgage incurred to finance purchase of the home has a term of 20years or longer; or

ϒ T en years, in all other cases. The maximum term described above applies to any member ofthe family who:

- Has an ownership interest in the unit during the time that homeownership payments aremade; or
- Is the spouse of any member of the household who has an ownership interest in the unitduring the time homeownership payments are made.
-

In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of homeownership assistance. In the case of a disabled family, the exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family.

If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date homeownership assistance commenced. However, such a family must be provided at least 6 months of homeownership assistance after the maximum term becomes applicable (provided the family is otherwise eligible to receive homeownership assistance).
If the family has received such assistance for different homes, or from different PHAs, the total of such assistance terms is subject to the maximum term described in this part.

HOMEOWNERSHIP ASSISTANCE PAYMENTS AND HOMEOWNERSHIP EXPENSES [24 CFR 982.635]

The monthly homeownership assistance payment is the lower of: the voucher payment standard minus the total tenant payment, or the monthly homeownership expenses minus the total tenant payment.
In determining the amount of the homeownership assistance payment, DCHA will use the same payment standard schedule, payment standard amounts, and subsidy standards as those described in elsewhere in this plan for the Housing Choice Voucher program.
DCHA may pay the homeownership assistance payments directly to the family, or at DCHA's discretion, to a lender on behalf of the family. If the assistance payment exceeds the amount due

to the lender, DCHA must pay the excess directly to the family.

Homeownership assistance for a family terminates automatically 180 calendar days after the last homeownership assistance payment on behalf of the family.
DCHA must adopt policies for determining the amount of homeownership expenses to be allowed by DCHA in accordance with HUD requirements.
Homeownership expenses (not including cooperatives) only include amounts allowed by DCHA to cover:

- Principal and interest on initial mortgage debt, any refinancing of such debt, and anymortgage insurance premium incurred to finance purchase of the home;
- Real estate taxes and public assessments on the home;
- Home insurance;
- DCHA allowance for maintenance expenses is $50.00.
- DCHA allowance for costs of major repairs and replacements is $100.00.
- DCHA utility allowance for the home;
- Principal and interest on mortgage debt incurred to finance costs for major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if DCHA determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person;
- Land lease payments where a family does not own fee title to the real property on which thehome is located; [see 24 CFR 982.628(b)].
- For a condominium unit, condominium operating charges or maintenance fees assessed by thecondominium homeowner association.
-

Homeownership expenses for a cooperative member may only include amounts allowed by DCHA to cover:

- The cooperative charge under the cooperative occupancy agreement including payment for realestate taxes and public assessments on the home;
- Principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt;
- Home insurance;
- DCHA allowance for maintenance expenses;
- DCHA allowance for costs of major repairs and replacements;
- DCHA utility allowance for the home; and
- Principal and interest on debt incurred to finance major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if DCHA determines that allowance of such costs as homeownership expenses is

needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person.

- Cooperative operating charges or maintenance fees assessed by the cooperative homeowner association.

MOVING WITH CONTINUED ASSISTANCE [24 CFR 982.637]

A family receiving homeownership assistance may move with continued tenant-based assistance. The family may move with voucher rental assistance or with voucher homeownership assistance. Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home.

DCHA may deny permission to move to a new unit with continued voucher assistance as follows:

- Lack of funding to provide continued assistance.
- At any time, DCHA may deny permission to move with continued rental or homeownership assistance in accordance with 24 CFR 982.638, regarding denial or termination of assistance.
- In accordance with DCHA's policy regarding number of moves within a 12-month period. DCHA must deny the family permission to move to a new unit with continued voucher rental assistance if:
- The family defaulted on an FHA-insured mortgage; and
- The family fails to demonstrate that the family has conveyed, or will convey, title to the home, as required by HUD, to HUD or HUD's designee; and the family has moved, or will move, from the home within the period established or approved by HUD.

DENIAL OR TERMINATION OF ASSISTANCE [24 CFR 982.638]

At any time, DCHA may deny or terminate homeownership assistance in accordance with HCV program requirements in 24 CFR 982.552 (Grounds for denial or termination of assistance) or 24 CFR 982.553 (Crime by family members).
DCHA may also deny or terminate assistance for violation of participant obligations described in 24 CFR Parts 982.551 or 982.633.
DCHA must terminate voucher homeownership assistance for any member of family receiving homeownership assistance that is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage (whether FHA insured or non-FHA) securing debt incurred to purchase the home, or any refinancing of such debt.

CHAPTER 16

PROGRAM ADMINISTRATION
INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this plan. The policies are discussed in seven parts as described below:

Part I: Administrative Fee Reserve. This part describes DCHA's policies with regard to oversight of expenditures from its administrative fee reserve.

Part II: Setting Program Standards and Schedules. This part describes what payment standards are, and how they are updated, as well as how utility allowances are established and revised.

Part III: Informal Reviews and Hearings. This part outlines the requirements and procedures for informal reviews and hearings, and for informal hearings regarding citizenship status.

Part IV: Owner or Family Debts to DCHA. This part describes policies for recovery of monies that the PHA has overpaid on behalf of families, or to owners, and describes the circumstances under which DCHA will offer repayment agreements to owners and families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part V: Section 8 Management Assessment Program (SEMAP). This part describes what the SEMAP scores represent, how they are established, and how those scores affect DCHA.

Part VI: Record-Keeping. All aspects of the program involve certain types of recordkeeping. This part outlines the privacy rights of applicants and participants and record retention policies DCHA will follow.

Part VII: Reporting and Record Keeping for Children with Environmental Intervention Blood Lead Level. This part describes DCHA's responsibilities for reporting, data collection, and record keeping relative to children with environmental intervention blood lead levels that are less than six years of age, and are receiving HCV assistance.

Part VIII: Determination of Insufficient Funding. This part describes the PHA's policies for determining if there is sufficient funding to issue vouchers, to approve moves to higher cost units or areas, and to continue assistance for all participant families.

Part IX: Violence against Women Act (VAWA): Notification, Documentation, Confidentiality. This part contains key terms used in VAWA and describes requirements related to notifying families and owners about their rights and responsibilities under VAWA; requesting documentation from victims of domestic violence, dating violence, sexual assault, and stalking; and maintaining the confidentiality of information obtained from victims.

PART I: ADMINISTRATIVE FEE RESERVE [24 CFR 982.155]

DCHA must maintain an administrative fee reserve for the program to pay program administrative expenses in excess of administrative fees paid by HUD for DCHA fiscal year. If funds in the administrative fee reserve are not needed to cover DCHA administrative expenses, DCHA may use these funds for other housing purposes permitted by Federal, State and local law.
If DCHA has not adequately administered any Section 8 program, HUD may prohibit use of funds in the administrative fee reserve, and may direct DCHA to use funds in the reserve to improve administration of the program or to reimburse ineligible expenses. HUD also may prohibit use of the funds for certain purposes.
HUD requires the PHA Board of Commissioners or other authorized officials to establish the maximum amount that may be charged against the administrative fee reserve without specific approval.

DCHA Policy

Expenditures from the administrative fee reserve will be made in accordance with all applicable Federal requirements. Expenditures will not exceed $10,000 per occurrence without the prior approval of DCHA's Board of Commissioners.

PART II: SETTING PROGRAM STANDARDS AND SCHEDULES
16-II.A. OVERVIEW

Although many of the program's requirements are established centrally by HUD, the HCV program's regulations recognize that some flexibility is required to allow DCHA to adapt the program to local conditions. This part discusses how DCHA establishes and updates certain schedules and standards that are used to administer the program locally. Details about how these schedules are applied to individual families are provided in other chapters. The schedules and standards discussed here include:

- *Payment Standards*, which dictate the maximum subsidy a family can receive (application ofthe payment standards is discussed in Chapter 6); and
- *Utility Allowances*, which specify how a family's payment should be adjusted to account fortenant-paid utilities (application of utility allowances is discussed in Chapter 6).

DCHA Policy

Copies of the payment standard and utility allowance schedules are available for review In DCHA's offices during normal business hours.
Families, owners, and members of the public may submit written comments on the schedules discussed in this part, at any time, for consideration during the next revision cycle.

DCHA will maintain documentation to support its annual review of payment standards and utility allowance schedules. This documentation will be retained for at least 3 years.

16-II.B. PAYMENT STANDARDS [24 CFR 982.503; HCV GB, Chapter 7]

The payment standard sets the maximum subsidy payment a family can receive from DCHA each month [24 CFR 982.505(a)]. Payment standards are based on fair market rents (FMRs) published annually by HUD. FMRs are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area. For most jurisdictions FMRs are set at the 40th percentile of rents in the market area.
DCHA must establish a payment standard schedule that establishes payment standard amounts for each FMR area within DCHA's jurisdiction, and for each unit size within each of the FMR areas. For each unit size, DCHA may establish a single payment standard amount for the whole FMR area, or may set different payment standards for different parts of the FMR area. Unless HUD grants an exception, DCHA is required to establish a payment standard within a "basic range" established by HUD – between 90 and 110 percent of the published FMR for each unit size.

Updating Payment Standards

When HUD updates its FMRs, DCHA must update its payment standards if the standards are no longer within the basic range [24 CFR 982.503(b)]. HUD may require DCHA to make further adjustments if it determines that rent burdens for assisted families in DCHA's jurisdiction are unacceptably high 24 CFR 982.503(g)].

DCHA Policy

DCHA will review the appropriateness of the payment standards on an annual basis when the new FMR is published. In addition to ensuring the payment standards are always within the "basic range" DCHA will consider the following factors when determining whether an adjustment should be made to the payment standard schedule:

Funding Availability: DCHA will review the budget to determine the impact projected subsidy adjustments will have on funding available for the program and the number of families served. DCHA will compare the number of families who could be served under revised payment standard amounts with the number assisted under current payment standard amounts.

Rent Burden of Participating Families: Rent burden will be determined by identifying the percentage of families, for each unit size, that are paying more than 30 percent of their monthly adjusted income as the family share. When 40 percent or more of families, for any given unit size, are paying more than 30 percent of adjusted monthly income as the family share, DCHA will consider increasing the payment standard. In evaluating rent burdens, DCHA will not include families renting a larger unit than their family unit size.

Quality of Units Selected: DCHA will review the quality of units selected by participant families when making the determination of the percent of income

families are paying for housing, to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

Changes in Rent to Owner: DCHA may review a sample of the units to determine how often owners are increasing or decreasing rents and the average percent of increases/decreases by bedroom size.

Unit Availability: DCHA will review the availability of units for each unit size, particularly in areas with low concentrations of poor and minority families.

Lease-up Time and Success Rate: DCHA will consider the percentage of families that are unable to locate suitable housing before the voucher expires and whether families are leaving the jurisdiction to find affordable housing.

Changes to payment standard amounts will be effective on December 1st of every year unless, based on the proposed FMRs, it appears that one or more of the PHA's current payment standard amounts will be outside the basic range when the final FMRs are published. In that case, DCHAs payment standards will be effective October 1st instead of December 1st.

If DCHA has already processed reexaminations that will be effective on or after October 1st, and the effective date of the payment standards is October 1st, DCHA will make retroactive adjustments to any such reexaminations if the new payment standard amount is higher than the one used by DCHA at the time the reexamination was originally processed.

Exception Payment Standards [982.503(c)]

DCHA must request HUD approval to establish payment standards that are higher than the basic range. At HUD's sole discretion, HUD may approve a payment standard amount that is higher than the basic range for a designated part of the FMR area. HUD may approve an exception payment standard amount (in accordance with program requirements) for all units, or for all units of a given size, leased by program families in the exception area. DCHA with jurisdiction in the exception area may use the HUD-approved exception payment standard amount. The total population of all HUD-approved exception areas in an FMR area may not include more than 50 percent of the population of the FMR area.

Unit-by-Unit Exceptions [24 CFR 982.503(c)(2)(ii)]

Unit-by-unit exceptions to DCHA's payment standards generally are not permitted. However, an exception may be made as a reasonable accommodation for a family that includes a person with disabilities. (See Chapter 2 for a discussion of reasonable accommodations.) This type of exception does not affect DCHA's payment standard schedule.
When needed as a reasonable accommodation, DCHA may make an exception to the payment standard without HUD approval if the exception amount does not exceed 110 percent of the

applicable FMR for the unit size [HCV GB 7-9]. DCHA may request HUD approval for an exception to the payment standard for a particular family if the required amount falls between 110 and 120 percent of the FMR.

DCHA Policy

A family that requires a reasonable accommodation may request a higher payment standard at the time the Request for Tenancy Approval (RFTA) is submitted. The family must document the need for the exception. In accordance with PIH notice 2013-03 DCHA may approve a payment standard of not more than 120 percent of the FMR without HUD approval. DCHA must maintain documentation that DCHA performed the required rent reasonableness analysis. In addition, DCHA must maintain documentation that the unit has the feature(s) required to meet the needs of the person with disabilities.

"Success Rate" Payment Standard Amounts [24 CFR 982.503(e)]

If a substantial percentage of families have difficulty finding a suitable unit, DCHA may request a "success rate payment standard" that applies to the entire jurisdiction. If approved by HUD, a success rate payment standard allows DCHA to set its payment standards at 90-110 percent of a higher FMR (the 50th, rather than the 40th percentile FMR). To support the request, DCHA must demonstrate that during the most recent 6-month period for which information is available:

- Fewer than 75 percent of families who were issued vouchers became participants;
- DCHA had established payment standards for all unit sizes, and for the entire jurisdiction, at110 percent of the published FMR; and

ϒ DCHA had a policy of allowing voucher holders who made sustained efforts to locate units at least 90 days to search for a unit.

Although HUD approves the success rate payment standard for all unit sizes in the FMR area, DCHA may choose to adjust the payment standard for only some unit sizes in all, or a designated part, of DCHA's jurisdiction within the FMR area.

Decreases in the Payment Standard Below the Basic Range [24 CFR 982.503(d)]

DCHA must request HUD approval to establish a payment standard amount that is lower than the basic range. At HUD's sole discretion, HUD may approve establishment of a payment standard lower than the basic range. HUD will not approve a lower payment standard if the family share for more than 40 percent of program participants exceeds 30 percent of adjusted monthly income.

16-II.C. UTILITY ALLOWANCES [24 CFR 982.517]

A DCHA-established utility allowance schedule is used in determining family share and PHA subsidy. DCHA must maintain a utility allowance schedule for (1) all tenant-paid utilities, (2) the cost of tenant-supplied refrigerators and ranges, and (3) other tenant-paid housing services such as trash collection.

The utility allowance schedule must be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, DCHA must use normal patterns of consumption for the community as a whole, and current utility rates.

The utility allowance must include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.
In the utility allowance schedule, DCHA must classify utilities and other housing services according to the following general categories: space heating; air conditioning; cooking; water heating; water; sewer; trash collection; other electric; cost of tenant-supplied refrigerator; cost of tenant-supplied range; and other specified housing services.
The cost of each utility and housing service must be stated separately by unit size and type.
Chapter 16 of the *HCV Guidebook* provides detailed guidance to DCHA about establishing utility allowance schedules.

Air Conditioning

An allowance for air-conditioning must be provided when the majority of housing units in the market have central air-conditioning or are wired for tenant-installed air conditioners.

DCHA Policy
DCHA will not permit a family to pay for a utility service that cannot be placed into their name. examples; taxes, sewer, trash…..

Reasonable Accommodation

HCV program regulations require a DCHA to approve a utility allowance amount higher than shown on DCHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, DCHA will approve an allowance for air-conditioning, even if DCHA has determined that an allowance for air-conditioning generally is not needed (See Chapter 2 for policies regarding the request and approval of reasonable accommodations).
Utility Allowance Revisions

DCHA must review its schedule of utility allowances each year, and must revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowance for that utility was revised.
DCHA must maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule.

PART III: INFORMAL REVIEWS AND HEARINGS
16-III.A. OVERVIEW

When DCHA makes a decision that has a negative impact on a family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal review; for participants, or for applicants denied admission because of citizenship issues, the appeal takes the form of an informal hearing.
DCHA is required to include in their administrative plans, informal review procedures for applicants, and informal hearing procedures for participants [24 CFR 982.54(d)(12) and (13)].

16-III.B. INFORMAL REVIEWS

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program, but is not yet a participant in the program. Informal reviews are intended to provide a "minimum hearing requirement" [24 CFR 982.554], and need not be as elaborate as the informal hearing requirements. (Federal Register Volume 60, No. 127, p 36490).

Decisions Subject to Informal Review

DCHA **must** give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(a)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a)(2)]:

Denying listing on DCHA waiting list
Denying or withdrawing a voucher
Refusing to enter into a HAP contract or approve a lease
Refusing to process or provide assistance under portability procedures

Informal reviews **are *not*** required for the following reasons [24 CFR 982.554(c)]:

(1) Discretionary administrative determinations

(2) General policy issues or class grievances.

(3) determination of the family unit size under DCHA subsidy standards

(4) determination not to approve an extension of the voucher term.

(5) determination not to grant approval of the tenancy.

(6) determination that a unit selected by the applicant is not in compliance with HQS.

(7) determination that the unit is not in accordance with HQS because of the family or composition.

Notice to the Applicant [24 CFR 982.554(a)]

DCHA must give an applicant prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for DCHA decision and must also state that the applicant may request an informal review of the decision. The notice must describe how to obtain the informal review.

Scheduling an Informal Review

DCHA Policy

A request for an informal review must be made in writing and delivered to DCHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of DCHA's denial of assistance.

Informal Review Procedures [24 CFR 982.554(b)]

The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.
The applicant must be provided an opportunity to present written or oral objections to the decision of DCHA. The person conducting the review will make a recommendation to DCHA, but DCHA is responsible for making the final decision as to whether assistance should be granted or denied.

Remote Informal Reviews

DCHA policies and processes for remote informal reviews must be conducted in accordance with due process requirements and be in compliance with HUD regulations.

DCHA Policy

DCHA has the sole discretion to require that informal reviews be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster.

In addition, DCHA will conduct an informal review remotely upon request of the applicant as a reasonable accommodation for a person with a disability if an applicant does not have childcare or transportation that would enable them to attend the informal review, or if the applicant believes an in-person informal review would create an undue health risk. The PHA will consider other reasonable requests for a remote informal review on a case-by-case basis.

Conducting Remote Informal Reviews

DCHA must ensure that the applicant has the right to hear and be heard.

DCHA Policy

DCHA will conduct remote informal reviews via telephone conferencing call-in or via videoconferencing. If the informal review will be conducted via videoconferencing, DCHA will ensure that all applicants, applicant representatives, DCHA representatives and the person conducting the informal review can adequately access the platform (i.e., hear, be heard, see, and be seen). If any applicant, applicant representative, DCHA representative, or person conducting the informal review is unable to effectively utilize

the videoconferencing platform, the informal review will be conducted by telephone conferencing call-in.

Whether the informal review is to be conducted via videoconferencing or telephone call in, DCHA will provide all parties login information and/or conferencing call-in information before the review.

Informal Review Decision [24 CFR 982.554(b)]

The DCHA must notify the applicant of the DCHA's final decision, including a brief statement of the reasons for the final decision.

DCHA Policy

In rendering a decision, DCHA will evaluate the following matters:
Whether or not the grounds for denial were stated factually in the Notice.
The validity of grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned.

The validity of the evidence. DCHA will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required by HUD, DCHA will uphold the decision to deny assistance.
If the facts prove the grounds for denial, and the denial is discretionary, DCHA will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.
DCHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 10 business days of the informal review, to the applicant and his or her representative, if any, along with proof of mailing.

16-III.C. INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555]

DCHA's must offer an informal hearing for certain DCHA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to DCHA's HCV program and is currently assisted in the program. The purpose of

the informal hearing is to consider whether DCHA's decisions related to the family's circumstances are in accordance with the law, HUD regulations and DCHA policies.
DCHA is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed.
Termination of assistance for a participant may include any or all of the following:
Refusing to enter into a HAP contract or approve a lease
Terminating housing assistance payments under an outstanding HAP contract
Refusing to process or provide assistance under portability procedures

Decisions Subject to Informal Hearing
Circumstances for which DCHA must give a participant family an opportunity for an informal hearing are as follows:
A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment
A determination of the appropriate utility allowance (if any) for tenant-paid utilities from DCHA utility allowance schedule
A determination of the family unit size under DCHA's subsidy standards
A determination that a certificate program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under DCHA's subsidy standards, or DCHA determination to deny the family's request for exception from the standards
A determination to terminate assistance for a participant family because of the family's actions or failure to act
A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under DCHA policy and HUD rules
A determination to terminate a family's Family Self Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account [24 CFR 984.303(i)]

Circumstances for which an informal hearing is not required are as follows:

Discretionary administrative determinations by DCHA
General policy issues or class grievances
Establishment of DCHA schedule of utility allowances for families in the program
DCHA determination not to approve an extension or suspension of a voucher term
DCHA determination not to approve a unit or tenancy
DCHA determination that a unit selected by the applicant is not in compliance with the HQS
DCHA determination that the unit is not in accordance with HQS because of family size
A determination by DCHA to exercise or not to exercise any right or remedy against an owner under a HAP contract

DCHA Policy

DCHA will only offer participants the opportunity for an informal hearing when required to by the regulations.

Remote Informal Hearings

DCHA's essential responsibility is to ensure informal hearings meet the requirements of due process and comply with HUD regulations. Therefore, DCHA policies and processes for remote informal hearings will be conducted in accordance with due process requirements and will be in compliance with HUD regulations.

DCHA Policy

DCHA has the sole discretion to require that informal hearings be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster.

In addition, DCHA will conduct an informal hearing remotely upon request as a reasonable accommodation for a person with a disability if a participant does not have childcare or transportation that would enable them to attend the informal hearing, or if the participant believes an in-person hearing would create an undue health risk. DCHA will consider other reasonable requests for a remote informal hearing on a case-by-case basis.

Conducting Informal Hearings Remotely

In conducting any informal hearing remotely, DCHA shall ensure due process and that all parties are able to have full access to the hearing.

DCHA Policy

DCHA will conduct remote informal hearings via telephone conferencing call-in or via videoconferencing. If the informal hearing will be conducted via videoconferencing,

DCHA will ensure that all participants, participant representatives, advocates, witnesses, DCHA representatives, and the hearing officer can adequately access the platform (i.e., hear, be heard, see, and be seen).

If any participant, representative, advocate, witness, DCJA representative, or hearing officer is unable to effectively utilize the videoconferencing platform, the informal hearing will be conducted by telephone conferencing call-in.

Whether the informal hearing is to be conducted via videoconferencing or telephone call-in, DCHA will provide all parties log -in information before the hearing.

Informal Hearing Procedures

Notice to the Family [24 CFR 982.555(c)]

When DCHA makes a decision that is subject to informal hearing procedures, DCHA must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.
For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, DCHA must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.
For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to DCHA's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

DCHA Policy

In cases where DCHA makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

The proposed action or decision of DCHA.
A brief statement of the reasons for the decision including the regulatory reference. The date the proposed action will take place.
A statement of the family's right to an explanation of the basis for DCHA's decision.
A statement that if the family does not agree with the decision the family may request an informal hearing of the decision.
A deadline for the family to request the informal hearing. To whom the hearing request should be addressed.

A copy of DCHA's hearing procedures.

Scheduling an Informal Hearing [24 CFR 982.555(d)]

When an informal hearing is required, DCHA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

DCHA Policy

A request for an informal hearing must be made in writing and delivered to DCHA either in person or by first class mail OR email by the close of the business day, no later than 10 business days from the date of DCHA's decision or notice to terminate assistance.

The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, DCHA may request documentation of the "good cause" prior to rescheduling the hearing.
If the family does not appear at the scheduled time, and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact DCHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. DCHA will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Pre-Hearing Right to Discovery **[24 CFR 982.555(e)]**

Participants and DCHA are permitted pre-hearing discovery rights. The family must be given the opportunity to examine before the hearing any DCHA documents that are directly relevant to the hearing. The family must be allowed to copy any such documents at their own expense. If DCHA does not make the document available for examination on request of the family, DCHA may not rely on the document at the hearing.

DCHA hearing procedures may provide that DCHA must be given the opportunity to examine at DCHA offices before the hearing, any family documents that are directly relevant to the hearing. DCHA must be allowed to copy any such document at DCHA's expense. If the family does not make the document available for examination on request of DCHA, the family may not rely on the document at the hearing.
For the purpose of informal hearings, *documents* include records and regulations.

DCHA Policy

DCHA must be given an opportunity to examine at DCHA offices before the hearing any family documents that are directly relevant to the hearing. Whenever a participant requests an informal hearing, DCHA will automatically mail a letter to the participant requesting a copy of all documents that the participant intends to present or utilize at the hearing.

If the hearing will be conducted remotely, DCHA will compile a hearing packet, consisting of all documents DCHA intends to produce at the informal hearing. DCHA will E-mail copies of the hearing packet to the family, the family's representatives, if any, and the hearing officer at least three days before the scheduled remote informal hearing. The original hearing packet will be in the possession of the PHA representative and retained by DCHA.

Documents will be shared electronically whenever possible.

Participant's Right to attain Counsel **[24 CFR 982.555(e)(3)]**
At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

Informal Hearing Officer **[24 CFR 982.555(e)(4)]**

Informal hearings will be conducted by a person or persons approved by DCHA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

DCHA Policy

DCHA has designated the following to serve as hearing officers:
Executive Director

Attendance at the Informal Hearing

DCHA Policy

Hearings may be attended by a hearing officer and the following applicable persons:
DCHA representative and any witnesses for DCHA
The participant and any witnesses for the participant
The participant's counsel or other representative
Any other person approved by DCHA as a reasonable accommodation for a person with a disability

Conduct at Hearings

The person who conducts the hearing may regulate the conduct of the hearing in accordance with DCHA's hearing procedures [24 CFR 982.555(4)(ii)].
DCHA Policy
The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

Evidence **[24 CFR 982.555(e)(5)]**

DCHA and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

DCHA Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.
Oral evidence: the testimony of witnesses
Documentary evidence: a writing which is relevant to the case, for example, a letter written to DCHA. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.
Demonstrative evidence: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.
Real evidence: A tangible item relating directly to the case.
Hearsay Evidence is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be

used as the sole basis for the hearing officer's decision.
If either DCHA or the family fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.
Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

Hearing Officer's Decision **[24 CFR 982.555(e)(6)]**

The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the hearing must be furnished promptly to the family.

DCHA Policy

In rendering a decision, the hearing officer will consider the following matters:
DCHA **Notice to the Family**: The hearing officer will determine if the reasons for DCHA's decision are factually stated in the Notice.
Discovery: The hearing officer will determine if DCHA and the family were given the opportunity to examine any relevant documents in accordance with DCHA policy.

PHA Evidence to Support the PHA Decision: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support DCHA's conclusion.
Validity of Grounds for Termination of Assistance (when applicable): The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and DCHA policies. If the grounds for termination are not specified in the regulations or in compliance with DCHA policies, then the decision of DCHA will be overturned.
The hearing officer will issue a written decision to the family and DCHA no later than 10 business days after the hearing.

DCHA Policy

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 DCHA will take effect and another hearing will not be granted.

16-III.D. HEARING AND APPEAL PROVISIONS FOR NON-CITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while DCHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or DCHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

As discussed in Chapters 3 and 11, the notice of denial or termination of assistance for noncitizens must advise the family:

That financial assistance will be denied or terminated and provide a brief explanation of the reasons for the proposed denial or termination of assistance.

The family may be eligible for proration of assistance.

In the case of a participant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].

That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.

That the family has a right to request an informal hearing with DCHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.

For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

USCIS Appeal Process [24 CFR 5.514(e)]

When DCHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, DCHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide DCHA with a copy of the written request for appeal and the proof of mailing.

DCHA Policy

DCHA will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results. The family must provide DCHA with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS. The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the

USCIS immigration status verification results. The USCIS will notify the family, with a copy to DCHA, of its decision. When the USCIS notifies DCHA of the decision, DCHA must notify the family of its right to request an informal hearing.

DCHA Policy

DCHA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that DCHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of DCHA notice of denial or termination, or within 30 days of receipt of the USCIS appeal decision.
For the informal hearing procedures that apply to participant families whose assistance is being terminated based on immigration status, see Section 16-III.C.
The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

DCHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision. See Section 16-III.C. for a listing of positions that serve as informal hearing officers.

Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of DCHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.
The family must also be provided the opportunity to refute evidence relied upon by DCHA, and to confront and cross-examine all witnesses on whose testimony or information DCHA relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense and to have such person make statements on the family's behalf.

The family is entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or the PHA, as may be agreed upon by the two parties.

Recording of the Hearing

The family is entitled to have the hearing recorded by audiotape. The PHA may, but is not required to provide a transcript of the hearing.

DCHA Policy
DCHA will not provide a transcript of an audio taped hearing.

Hearing Decision

The PHA must provide the family with a written final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The decision must state the basis for the decision.

Retention of Documents [24 CFR 5.514(h)]

The PHA must retain for a minimum of 5 years the following documents that may have been submitted to the PHA by the family, or provided to the PHA as part of the USCIS appeal or the PHA informal hearing process:

The application for assistance
The form completed by the family for income reexamination
Photocopies of any original documents, including original USCIS documents
The signed verification consent form
The USCIS verification results
The request for an USCIS appeal
The final USCIS determination
The request for an informal hearing
The final informal hearing decision

PART IV: OWNER OR FAMILY DEBTS TO DCHA

16-IV.A. OVERVIEW

DCHAs are required to include in the administrative plan, policies concerning repayment by a family of amounts owed to DCHA [24 CFR 982.54]. This part describes DCHA's policies for recovery of monies that have been overpaid on behalf of families, or to owners.

DCHA Policy
When an action or inaction of an owner or participant results in the overpayment of housing assistance, DCHA holds the owner or participant liable to return any overpayments to DCHA.

DCHA will enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments.

When an owner or participant refuses to repay monies owed to DCHA, DCHA will utilize other available collection alternatives including, but not limited to, the following:

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

16-IV.B. REPAYMENT POLICY
Owner Debts to the DCHA

DCHA Policy

Any amount due to DCHA by an owner must be repaid by the owner within 60 days of DCHA determination of the debt.

If the owner fails to repay the debt within the required time frame and is entitled to future HAP payments, DCHA will reduce the future HAP payments by the amount owed until the debt is paid in full.

If the owner is not entitled to future HAP payments DCHA will offer to enter into a repayment agreement in accordance with the policies below.

If the owner refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, DCHA will ban the owner from future participation in the program and pursue other modes of collection.

Family Debts to the DCHA

DCHA Policy

Any amount due to the DCHA by an HCV participant must be repaid by the family. If the family is unable to repay the debt within 60 days, DCHA will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, DCHA will terminate the assistance upon notification to the family and pursue other modes of collection.

If the family is unable to repay the debt, DCHA will withhold the Utility Reimbursement Payment until the amount owed is repaid.

Repayment Agreement [24 CFR 792.103]

The term r*epayment agreement* refers to a formal document signed by a tenant or owner and provided to DCHA in which a tenant or owner acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods.

Repayment Agreement Guidelines
Down Payment Requirement

DCHA Policy

Prior to the execution of a repayment agreement, the owner or family must pay 30 percent of the balance owed to DCHA.

Payment Thresholds

DCHA Policy

Initial payment due – 30% of Total Amount owed.
Zero to $500.00 must be repaid within 3-12 months
$501.00 to $1,000. must be repaid within 12-18 months
$1001. to $2500. must be repaid within 18-24 months

Execution of the Agreement

Payment amounts are subject to the discretion of

DCHA.

DCHA Policy

The head of household and spouse/co head (if applicable) must sign the repayment agreement. Any request for an extension must be submitted in writing prior to the due date to be considered.

Due Dates

DCHA Policy

All payments are due by the close of business on the 15th day of the month. If the 15th does not fall on a business day, the due date is the close of business on the first business day after the 15th.

Non-Payment

DCHA Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by DCHA, DCHA will send the

family a delinquency notice giving the family 10 business days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and DCHA will terminate assistance upon written notification to the family.

If a family has missed three payments or has three late payments without written approval from DCHA in a 12 month period, the repayment agreement will be considered in default, and DCHA will terminate assistance upon written notification to the family.

No Offer of Repayment Agreement

DCHA Policy
DCHA will not enter into a repayment agreement if there is already a repayment agreement in place with the family or owner, or the amounts owed by the family or owner exceed the Federal or State threshold for criminal prosecution.

PART V: MANAGEMENT ASSESSMENT (SEMAP)

16-V.A. OVERVIEW

The Section 8 Management Assessment Program (SEMAP) is a tool that allows HUD to measure DCHA performance in key areas to ensure program integrity and accountability. SEMAP scores translate into a rating for DCHA as high performing, standard, or troubled. Scores on individual SEMAP indicators, as well as overall SEMAP ratings, can affect DCHA in several ways.

High-performing PHAs can be given a competitive advantage under notices of funding availability [24 CFR 985.103].

PHAs with deficiencies on one or more indicators are required to correct the deficiencies and report to HUD [24 CFR 985.106].

PHAs with an overall rating of "troubled" are subject to additional HUD oversight, including on-site reviews by HUD staff, a requirement to develop a corrective action plan, and monitoring to ensure the successful implementation of the corrective action plan. In addition, PHAs that are designated "troubled" may not use any part of the administrative fee reserve for other housing purposes [24 CFR 985.107].

HUD may determine that a PHA's failure to correct identified SEMAP deficiencies or to prepare and implement a corrective action plan required by HUD constitutes a default under the ACC [24 CFR 985.109].

16-V.B. SEMAP CERTIFICATION [24 CFR 985.101]

DCHAs must submit the HUD-required SEMAP certification form within 60 calendar days after the end of its fiscal year. The certification must be approved by DCHA board resolution and signed by DCHA executive director. If DCHA is a unit of local government or a state, a resolution approving the certification is not required, and the certification must be executed by

the Section 8 program director. PHAs with less than 250 voucher units are only required to be assessed every other PHA fiscal
year. HUD will assess such PHAs annually if the PHA elects to have its performance assessed on an annual basis; or is designated as "troubled" [24 CFR 985.105].
Failure of DCHA to submit its SEMAP certification within the required time frame will result in an overall performance rating of "troubled." DCHA's SEMAP certification is subject to HUD verification by an on-site confirmatory review at any time.
Upon receipt of DCHA's SEMAP certification, HUD will rate DCHA's performance under each SEMAP indicator in accordance with program requirements.

HUD Verification Method
Several of the SEMAP indicators are scored based on a review of a quality control sample selected for this purpose. DCHA or the Independent Auditor must select an unbiased sample that provides an adequate representation of the types of information to be assessed, in accordance with SEMAP requirements [24 CFR 985.2].

If the HUD verification method for the indicator relies on data in the Form-50058 module (formerly known as MTCS) in the PIH Information Center (PIC), and HUD determines that those data are insufficient to verify DCHA's certification on the indicator due to the PHA's failure to adequately report family data, HUD will assign a zero rating for the indicator [24 CFR 985.3].

16-V.C. SEMAP INDICATORS [24 CFR 985.3 and form HUD-52648]

The table below lists each of the SEMAP indicators, contains a description of each indicator, and explains the basis for points awarded under each indicator.
A PHA that expends less than $300,000 in Federal awards and whose Section 8 programs are not audited by an independent auditor, is not be rated under SEMAP indicators 1-7.

SEMAP Indicators
Indicator 1: Selection from the waiting list

Maximum Score: 15
This indicator shows whether DCHA has written policies in its administrative plan for selecting applicants from the waiting list and whether DCHA follows these policies when selecting applicants for admission from the waiting list.
Points are based on the percent of families that are selected from the waiting list in accordance with DCHA's written policies, according to DCHA's quality control sample.

Indicator 2: Rent reasonableness
Maximum Score: 20
This indicator shows whether DCHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units

Points are based on the percent of units for which DCHA follows its written method to determine reasonable rent and has documented its determination that the rent to owner is reasonable, according to DCHA's quality control sample.

Indicator 3: Determination of adjusted income
Maximum Score: 20

This indicator measures whether DCHA verifies and correctly determines adjusted income for each assisted family, and where applicable, uses the appropriate utility allowances for the unit leased in determining the gross rent.

Points are based on the percent of files that are calculated and verified correctly, according to DCHA's quality control sample.

Indicator 4: Utility allowance schedule
Maximum Score: 5

This indicator shows whether DCHA maintains an up-to-date utility allowance schedule.

Points are based on whether DCHA has reviewed the utility allowance schedule and adjusted it when required, according to DCHA's certification.

Indicator 5: HQS quality control inspections
Maximum Score: 5

This indicator shows whether DCHA supervisor reinspects a sample of units under contract during DCHA fiscal year, which meets the minimum sample size requirements for quality control of HQS inspections.

Points are based on whether the required quality control reinspection's were completed, according to DCHA's certification.

Indicator 6: HQS enforcement
Maximum Score: 10

This indicator shows whether, following each HQS inspection of a unit under contract where the unit fails to meet HQS, any cited life-threatening deficiencies are corrected within 24 hours from the inspection and all other deficiencies are corrected within no more than 30 calendar days from the inspection or any PHA-approved extension.

Points are based on whether DCHA corrects all HQS deficiencies in accordance with required time frames, according to DCHA's certification.

Indicator 7: Expanding housing opportunities
Maximum Points: 5

Only applies DCHAs with jurisdiction in metropolitan FMR areas.

This indicator shows whether DCHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration; informs voucher holders of the full range of areas where they may lease units both inside and outside DCHA jurisdiction; and supplies a list of landlords or other parties who are willing to lease units or help families find units, including units outside areas of poverty or minority concentration.

Points are based on whether DCHA has adopted and implemented written policies in

accordance with SEMAP requirements, according to DCHA's certification.

Indicator 8: FMR limit and payment standards
Maximum Points: 5 points

This indicator shows whether DCHA has adopted a payment standard schedule that establishes payment standard amounts by unit size for each FMR area in the PHA's jurisdiction, that are within the basic range of 90 to 110 percent of the published FMR.

Points are based on whether DCHA has appropriately adopted a payment standard schedule(s), according to DCHA's certification.

Indicator 9: Annual reexaminations
Maximum Points: 10

This indicator shows whether DCHA completes a reexamination for each participating family at least every 12 months.

Points are based on the percent of reexaminations that are more than 2 months overdue, according to data from PIC.

Indicator 10: Correct tenant rent calculations
Maximum Points: 5

This indicator shows whether DCHA correctly calculates the family's share of the rent to owner.

Points are based on the percent of correct calculations of family share of the rent, according to data from PIC.

Indicator 11: Pre-contract HQS inspections
Maximum Points: 5

This indicator shows whether newly leased units pass HQS inspection on or before the effective date of the assisted lease and HAP contract.

Points are based on the percent of newly leased units that passed HQS inspection prior to the effective date of the lease and HAP contract, according to data from PIC.

Indicator 12: Annual HQS inspections
Maximum Points: 10

This indicator shows whether DCHA inspects each unit under contract at least annually.

Points are based on the percent of annual HQS inspections of units under contract that are more than 2 months overdue, according to data from PIC.

Indicator 13: Lease-up
Maximum Points: 20 points

This indicator shows whether DCHA enters HAP contracts for the number of units or funding reserved under ACC for at least one year.

Points are based on the percent of units leased during the last completed DCHA fiscal year, or the percent of allocated budget authority that has been expended by DCHA, according to data from DCHA's last year-end operating statement that is recorded in HUD's accounting system.

Indicator 14: Family self-sufficiency (FSS) enrollment and escrow account balances
Maximum Points: 10

Only applies to DCHA with mandatory FSS programs.

This indicator shows whether DCHA has enrolled families in the FSS program as required, and measures the percent of current FSS participants that have had increases in earned income which resulted in escrow account balances.

Points are based on the percent of mandatory FSS slots that are filled and the percent of families with escrow account balances, according to data from PIC.

Success Rate of Voucher Holders
Maximum Points: 5

Only applies to PHAs that have received approval to establish success rate payment standard amounts, and isn't effective until the second full PHA fiscal year following the date of HUD approval of success rate payment standard amounts.

This indicator shows whether voucher holders were successful in leasing units with voucher assistance.

Points are based on the percent of families that were issued vouchers, and that became participants in the voucher program.

Deconcentration Bonus Indicator
Maximum Points: 5

Submission of data for this indicator is mandatory for a PHA using one or more payment standard amount(s) that exceed(s) 100 percent of the published FMR set at the 50 percentile rent, starting with the second full PHA fiscal year following initial use of payment standard amounts based on the FMRs set at the 50th percentile.

Additional points are available to PHAs that have jurisdiction in metropolitan FMR areas and that choose to submit the required data.

Points are based on whether the data that is submitted meets the requirements for bonus points.

PART VI: RECORD KEEPING
16-VI.A. OVERVIEW

DCHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request. In addition, DCHA must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

16-VI.B. RECORD RETENTION [24 CFR 982.158]

During the term of each assisted lease, and for at least three years thereafter, DCHA must keep:

A copy of the executed lease;

The HAP contract; and

The application from the family.

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

Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants;

An application from each ineligible family and notice that the applicant is not eligible;

HUD-required reports;

Unit inspection reports;

Lead-based paint records as required by 24 CFR 35, Subpart B.

Accounts and other records supporting DCHA budget and financial statements for the program;

Records to document the basis for DCHA determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract); and

Other records specified by HUD.

If an informal hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 16-III.D., Retention of Documents.

16-VI.C. RECORDS MANAGEMENT

PHAs must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

PHA Policy

All applicant and participant information will be kept in a secure location and access will be limited to authorized PHA staff.

PHA staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

Privacy Act Requirements [24 CFR 5.212 and Form-9886]

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income

information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law. Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or DCHA may release the information collected.

Upfront Income Verification (UIV) Records
PHAs that access UIV data through HUD's UIV System are required to adopt and follow specific security procedures to ensure that all UIV data is protected in accordance with Federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in *Upfront Income Verification (UIV) System PHA Security Procedures*, Version 1.1, issued April 4, 2004.

DCHA Policy

Prior to utilizing HUD's UIV system, DCHA will adopt and implement UIV security procedures required by HUD.

Criminal Records
DCHA may only disclose the criminal conviction records which DCHA receives from a law enforcement agency to officers or employees of DCHA, or to authorized representatives of DCHA who have a job-related need to have access to the information [24 CFR 5.903(e)]. DCHA must establish and implement a system of records management that ensures that any criminal record received by DCHA from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the DCHA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

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

Medical/Disability Records
PHAs are not permitted to inquire about the nature or extent of a person's disability. DCHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition

PART VII: REPORTING AND RECORD KEEPING FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL

16-VII.A. OVERVIEW

DCHA has certain responsibilities relative to children with environmental intervention blood lead levels that are receiving HCV assistance. The notification, verification, and hazard reduction requirements are discussed in Chapter 8. This part deals with the reporting requirements, and data collection and record keeping responsibilities that DCHA is subject to.

16-VII.B. REPORTING REQUIREMENT [24 CFR 35.1225(e)]

DCHA must report the name and address of a child identified as having an environmental intervention blood lead level to the public health department within 5 business days of being so notified by any other medical health care professional.

DCHA Policy

DCHA will provide the public health department written notice of the name and address of any child identified as having an environmental intervention blood lead level.

16-VII.C. DATA COLLECTION AND RECORD KEEPING [24 CFR 35.1225(f)]

At least quarterly, DCHA must attempt to obtain from the public health department(s) with a similar area of jurisdiction, the names and/or addresses of children less than 6 years old with an identified environmental intervention blood lead level.

If DCHA obtains names and addresses of environmental intervention blood lead level children from the public health department(s), DCHA must match this information with the names and addresses of families receiving HCV assistance, unless the public health department performs such a procedure. If a match occurs, DCHA must carry out the notification, verification, and hazard reduction requirements discussed in Chapter 8, and the reporting requirement discussed above.

At least quarterly, DCHA must also report an updated list of the addresses of units receiving assistance under the HCV program to the same public health department(s), unless the public health department(s) states that it does not wish to receive such a report.

DCHA Policy

DCHA does not have currently a health Department.

PART VIII: DETERMINATION OF INSUFFICIENT FUNDING

16. VIII.A. OVERVIEW

The Housing Choice voucher regulation allow DCHA to deny families permission to move and to terminate Housing Assistance Payment (HAP) contracts if funding under the consolidate ACC is insufficient to support continued assistance [24 CFR 982.314(e)(1) and 982.454]. Insufficient funding may also impact DCHA's ability to issue vouchers to families on the waiting list.

DCHA POLICY:

If DCHA experiences funding shortfalls, the following families will not be removed from the program unless requested by HUD. Family Unification Program (FUPF); Non-Elderly Disabled Families (NED); HUD Veterans Affairs Supportive Housing (VAHS) families.

For all other families who need to be removed from the program will be removed in the following order – last on first off.

In the event Special Program Families listed above (FUPF; NED & VASH) are removed from the program, these families will be offered assistance prior to the offer to any other applicant.

16. VIII.B. METHODOLOGY

DCHA will determine whether there is adequate funding to issue vouchers, approve moves to higher cost units and areas, and continue subsidizing all current participants by comparing DCHA's annual budget authority to the annual total HAP needs on a monthly basis. The total HAP needs for the calendar year will be projected by establishing the actual HAP costs year to date. To that figure, DCHA will add anticipated HAP expenditures for the remainder of the calendar year. Projected HAP expenditures will be calculated by multiplying the projected number of units lease per month will take into account the average monthly turnover of participant families. If the total annual HAP needs equal or exceed the annual budget authority, or if DCHA cannot support the cost of the proposed subsidy commitment (voucher issuance or move) based on the funding analysis, DCHA will be consider to have insufficient funding.

PART IX: VIOLENCE AGAINST WOMEN ACT (VAWA): NOTIFICATION, DOCUMENTATION, CONFIDENTIALITY

16-IX.A. OVERVIEW

On March 7, 2013, the Violence Against Women Reauthorization Act of 2013 (P.L. 113-4) (VAWA 2013) was signed into law. VAWA 2013 implemented several key changes related to housing protections for victims of domestic violence, dating violence, sexual assault, and stalking. HUD published a notice in the *Federal Register* on August 6, 2013 describing HUD's programs. (See 78 FR 47717.) (PIH NOTICE 2017-08)

Who May Receive VAWA Protections?

Who is Eligible?

VAWA protections cover tenants and assisted families, as defined under applicable program regulations. VAWA protections also cover applicants when they are applying for admission to a covered housing program.

VAWA protections are not limited to women. Victims of domestic violence, dating violence, sexual assault, or stalking are eligible for protections without regard to sex, gender identity, or sexual orientation. Victims cannot be discriminated against on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age, and HUD programs must also be operated consistently with HUD's Equal Access Rule, which requires that HUD-assisted and HUD-insured housing are made available to all otherwise eligible individuals and families regardless of actual or perceived sexual orientation, gender identity, or marital status.

A PHA or owner may find instances of domestic violence, dating violence, sexual assault, or stalking against youth (those under the age of 18 years old) living in an assisted household for which the family may need to exercise VAWA protections to protect the youth victim. PHAs and owners should exercise the same documentation and confidentiality procedures in assisting a family in this situation.

Note: Un-emancipated minors would not be eligible to sign leases under HUD programs. Housing providers may consider contacting child welfare or child protective services, or law enforcement, when a minor claims to be a victim of domestic violence, dating violence, sexual assault, or stalking.

Who is Ineligible?

Guests, unassisted members, and live-in aides of the family are ineligible for VAWA protections that are available only to tenants and participants.

As a reasonable accommodation, a tenant/participant can request VAWA protections based on the grounds that the live-in aid is a victim of domestic violence, dating violence, sexual assault or stalking. In addition, other reasonable accommodations may be needed on a case-by-case basis.

In cases where a guest or unassisted member is a victim of domestic violence, dating violence, sexual assault or stalking, a tenant/participant cannot be evicted or have assistance terminated on the basis of the domestic violence, dating violence, sexual assault or stalking of the guest or unassisted member.

Unassisted members who are also on the lease may qualify by way of the lease for VAWA protections at 24 CFR 5.2005(c).

In addition to definitions of key terms used in VAWA, this part contains general VAWA requirements and PHA policies in three areas: notification, documentation, and confidentiality. Specific VAWA requirements and PHA policies are located primarily in the following sections: 3-I.C, "Family Breakup and Remaining Member of Tenant Family";

3-III.G, "Prohibition against Denial of Assistance to Victims of Domestic Violence, Dating Violence, and Stalking";

10-I.A,"Allowable Moves";

10-I.B, "Restrictions on Moves";

12-II.E, "Terminations Related to Domestic Violence, Dating Violence, or Stalking"; and

12-II.F, "Termination Notice."

16-IX.B. DEFINITIONS [24 CFR 5.2003]

As used in VAWA:

Actual and imminent threat refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: the duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur.

Affiliated individual, with respect to an individual, means:

a. A spouse, parent, brother, sister, or child of that individual, or a person to whom that individual stands in the place of a parent or guardian (for example, the affiliated individual is a person in the care, custody, or control of that individual); or

b. Any individual, tenant, or lawful occupant living in the household of that individual.

Bifurcate means to divide a lease as a matter of law, subject to the permissibility of such process under the requirements of the applicable HUD-covered program and State or local law, such that certain tenants or lawful occupants can be evicted or removed and the remaining tenants or lawful occupants can continue to reside in the unit under the same lease requirements or as may be revised depending upon the eligibility for continued occupancy of the remaining tenants and lawful occupants.

Covered housing provider refers to the individual or entity under a covered housing program, and as defined by each program in its regulations, that has responsibility for the administration and/or oversight of VAWA protections and includes PHAs, sponsors, owners, mortgagors, managers, State and local governments or agencies thereof, nonprofit or for-profit organizations or entities.

Dating violence means violence committed by a person:

a. Who is or has been in a social relationship of a romantic or intimate nature with the victim; and

b. Where the existence of such a relationship shall be determined based on a consideration of the following factors:

1) The length of the relationship;
2) The type of relationship; and
3) The frequency of interaction between the persons involved in the relationship.

Domestic violence includes felony or misdemeanor crimes of violence committed by:

a. a current or former spouse or intimate partner of the victim,

b. by a person with whom the victim shares a child in common,

c. by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner,

d. by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or

e. by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

The term “spouse or intimate partner of the victim” includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship.

Sexual assault means any nonconsensual sexual act proscribed by Federal, Tribal, or State law, including when the victim lacks capacity to consent.

Stalking means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

(1) Fear for the person’s individual safety or the safety of others; or
(2) Suffer substantial emotional distress.

16-IX.C. NOTIFICATION [24 CFR 5.2005(a)]

Notification to Public

DCHA adopts the following policy to help ensure that all actual and potential beneficiaries of its HCV program are aware of their rights under VAWA.

DCHA Policy

DCHA will post the following information regarding VAWA in its offices and on its Web site. It will also make the information readily available to anyone who requests it.
A summary of the rights and protections provided by VAWA to housing choice voucher program applicants and participants who are or have been victims of domestic violence, dating violence, or stalking (see sample notices in Exhibits 16-1 and 16-2)

The definitions of *domestic violence*, *dating violence*, and *stalking* provided in VAWA (included in Exhibits 16-1 and 16-2)

An explanation of the documentation that the PHA may require from an individual who claims the protections provided by VAWA (included in Exhibits 16-1 and 16-2)

A copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, or Stalking

A statement of the PHA's obligation to keep confidential any information that it receives from a victim unless (a) the PHA has the victim's written permission to release the information, (b) it needs to use the information in an eviction proceeding, or (c) it is compelled by law to release the information (included in Exhibits 16-1 and 16-2)
The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY) (included in Exhibits 16-1 and 16-2)
Contact information for local victim advocacy groups or service providers

Notification to Program Applicants and Participants [24 CFR 5.2005(a)(1)]

DCHA is required to inform program participants of their rights under VAWA, including their right to confidentiality and the limits thereof. Since VAWA provides protections for applicants as well as participants, PHAs may elect to provide the same information to applicants.

DCHA Policy

DCHA will provide all applicants with information about VAWA at the time they

request an application for housing assistance. DCHA will also include information about VAWA in all notices of denial of assistance (see section 3-III.G).
The DCHA will provide all participants with information about VAWA at the time of admission (see section 5-I.B) and at annual reexamination. DCHA will also include information about VAWA in notices of termination of assistance, as provided in section 12-II.F.

The VAWA information provided to applicants and participants will consist of the notice in Exhibit 16-1 and a copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, and Stalking.

Notification to Owners and Managers [24 CFR 5.2005(a)(2)]

DCHA is required to notify owners and managers participating in the HCV program of their rights and obligations under VAWA.

DCHA Policy

DCHA will provide owners and managers with information about their rights and obligations under VAWA when they begin their participation in the HCV program and at least annually thereafter.

The VAWA information provided to owners will consist of the notice in Exhibit 16-2 and a copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, and Stalking.

16-IX.D. DOCUMENTATION [24 CFR 5.2007]

DCHA is presented with a claim for initial or continued assistance based on status as a victim of domestic violence, dating violence, stalking, or criminal activity related to any of these forms of abuse may—but is not required to—request that the individual making the claim document the abuse. Any request for documentation must be in writing, and the individual must be allowed at least 14 business days after receipt of the request to submit the documentation. DCHA may extend this time period at its discretion. [24 CFR 5.2007(a)]

The individual may satisfy the PHA's request by providing any one of the following three forms of documentation [24 CFR 5.2007(b)]:

(1) A completed and signed HUD-approved certification form (HUD-50066, Certification of Domestic Violence, Dating Violence, or Stalking), which must include the name of the Perpetrator

(2) A federal, state, tribal, territorial, or local police report or court record

(3) Documentation signed by a person who has assisted the victim in addressing domestic

violence, dating violence, or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; or a medical professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

DCHA may not require third-party documentation (forms 2 and 3) in addition to certification (form 1), except as specified below under "Conflicting Documentation," nor may it require certification in addition to third-party documentation [VAWA final rule].

DCHA Policy

Any request for documentation of domestic violence, dating violence, or stalking will specify a deadline of 14 business days following receipt of the request, will describe the three forms of acceptable documentation, will provide explicit instructions on where and to whom the documentation must be submitted, and will state the consequences for failure to submit the documentation or request an extension in writing by the deadline. DCHA may, in its discretion, extend the deadline for 10 business days. Any extension granted by the DCHA will be in writing.

Conflicting Documentation [24 CFR 5.2007(e)]

In cases where the DCHA receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, DCHA may determine which is the true victim by requiring each to provide acceptable third-party documentation, as described above (forms 2 and 3). DCHA must honor any court orders issued to protect the victim or to address the distribution of property.

DCHA Policy

If presented with conflicting certification documents (two or more forms HUD-50066) from members of the same household, the PHA will attempt to determine which is the true victim by requiring each of them to provide third-party documentation in accordance with 24 CFR 5.2007(b)(2) or (3) and by following any HUD guidance on how such determinations should be made.

Discretion to Require No Formal Documentation [24 CFR 5.2007(d)]

The PHA has the discretion to provide benefits to an individual based solely on the individual's statement or other corroborating evidence—i.e., without requiring formal documentation of abuse in accordance with 24 CFR 5.2007(b).

PHA Policy

If the PHA accepts an individual's statement or other corroborating evidence of domestic

violence, dating violence, or stalking, the PHA will document acceptance of the statement or evidence in the individual's file.

Failure to Provide Documentation [24 CFR 5.2007(c)]

In order to deny relief for protection under VAWA, a PHA must provide the individual requesting relief with a written request for documentation of abuse. If the individual fails to provide the documentation within 14 business days from the date of receipt, or such longer time as the PHA may allow, the PHA may deny relief for protection under VAWA.

16-IX.E. CONFIDENTIALITY [24 CFR 5.2007(b)(4)]

All information provided to the PHA regarding domestic violence, dating violence, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence. This means that the PHA (1) may not enter the information into any shared database, (2) may not allow employees or others to access the information unless they are explicitly authorized to do so and have a need to know the information for purposes of their work, and (3) may not provide the information to any other entity or individual, except to the extent that the disclosure is (a) requested or consented to by the individual in writing, (b) required for use in an eviction proceeding, or (c) otherwise required by applicable law.

PHA Policy

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the PHA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

EXHIBIT 1

Delaware County Housing Authority (DCHA)

Notice of Occupancy Rights under the Violence Against Women Act[1]

To all Tenants and Applicants

The Violence Against Women Act (VAWA) provides protections for victims of domestic violence, dating violence, sexual assault, or stalking. VAWA protections are not only available to women, but are available equally to all individuals regardless of sex, gender identity, or sexual orientation.[2] The U.S. Department of Housing and Urban Development (HUD) is the Federal

[1] Despite the name of this law, VAWA protection is available regardless of sex, gender identity, or sexual orientation.

[2] Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made

agency that oversees that Delaware County Housing Authority's (DCHA) Public Housing and Housing Choice Voucher Program are in compliance with VAWA. This notice explains your rights under VAWA. A HUD-approved certification form is attached to this notice. You can fill out this form to show that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking, and that you wish to use your rights under VAWA."

Protections for Applicants

If you otherwise qualify for assistance under DCHA's Public Housing and or the Housing Choice Voucher Programs, you cannot be denied admission or denied assistance because you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

Protections for Tenants

If you are receiving assistance under DCHA's Public Housing and or the Housing Choice Voucher Programs**,** you may not be denied assistance, terminated from participation, or be evicted from your rental housing because you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

Also, if you or an affiliated individual of yours is or has been the victim of domestic violence, dating violence, sexual assault, or stalking by a member of your household or any guest, you may not be denied rental assistance or occupancy rights under DCHA's Public Housing and or the Housing Choice Voucher Programs solely on the basis of criminal activity directly relating to that domestic violence, dating violence, sexual assault, or stalking.

available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

Affiliated individual means your spouse, parent, brother, sister, or child, or a person to whom you stand in the place of a parent or guardian (for example, the affiliated individual is in your care, custody, or control); or any individual, tenant, or lawful occupant living in your household.

Removing the Abuser or Perpetrator from the Household

DCHA may divide (bifurcate) your lease in order to evict the individual or terminate the assistance of the individual who has engaged in criminal activity (the abuser or perpetrator) directly relating to domestic violence, dating violence, sexual assault, or stalking.

If DCHA chooses to remove the abuser or perpetrator, DCHA may not take away the rights of eligible tenants to the unit or otherwise punish the remaining tenants. If the evicted abuser or perpetrator was the sole tenant to have established eligibility for assistance under the program, DCHA must allow the tenant who is or has been a victim and other household members to remain in the unit for a period of time, in order to establish eligibility under the program or under another HUD housing program covered by VAWA, or, find alternative housing.

In removing the abuser or perpetrator from the household, DCHA must follow Federal, State, and local eviction procedures. In order to divide a lease, DCHA may, but is not required to, ask you for documentation or certification of the incidences of domestic violence, dating violence, sexual assault, or stalking.

Moving to Another Unit

Upon your request, DCHA may permit you to move to another unit, subject to the availability of other units, and still keep your assistance. In order to approve a request, HP may ask you to provide documentation that you are requesting to move because of an incidence of domestic violence, dating violence, sexual assault, or stalking. If the request is a request for emergency

transfer, the housing provider may ask you to submit a written request or fill out a form where you certify that you meet the criteria for an emergency transfer under VAWA. The criteria are:

(1) You are a victim of domestic violence, dating violence, sexual assault, or stalking. If your housing provider does not already have documentation that you are a victim of domestic violence, dating violence, sexual assault, or stalking, your housing provider may ask you for such documentation, as described in the documentation section below.

(2) You expressly request the emergency transfer. Your housing provider may choose to require that you submit a form, or may accept another written or oral request.

(3) You reasonably believe you are threatened with imminent harm from further violence if you remain in your current unit. This means you have a reason to fear that if you do not receive a transfer you would suffer violence in the very near future.

OR

You are a victim of sexual assault and the assault occurred on the premises during the 90-calendar-day period before you request a transfer. If you are a victim of sexual assault, then in addition to qualifying for an emergency transfer because you reasonably believe you are threatened with imminent harm from further violence if you remain in your unit, you may qualify for an emergency transfer if the sexual assault occurred on the premises of the property from which you are seeking your transfer, and that assault happened within the 90-calendar-day period before you expressly request the transfer.

DCHA will keep confidential requests for emergency transfers by victims of domestic violence, dating violence, sexual assault, or stalking, and the location of any move by such victims and their families.

DCHA's emergency transfer plan provides further information on emergency transfers, and DCHA must make a copy of its emergency transfer plan available to you if you ask to see it.

Documenting You Are or Have Been a Victim of Domestic Violence, Dating Violence, Sexual Assault or Stalking

DCHA can, but is not required to, ask you to provide documentation to "certify" that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking. Such request from DCHA must be in writing, and DCHA must give you at least 14 business days (Saturdays, Sundays, and Federal holidays do not count) from the day you receive the request to provide the documentation. DCHA may, but does not have to, extend the deadline for the submission of documentation upon your request.

You can provide one of the following to DCHA as documentation. It is your choice which of the following to submit if DCHA asks you to provide documentation that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

- A complete HUD-approved certification form given to you by DCHA with this notice, that documents an incident of domestic violence, dating violence, sexual assault, or stalking. The form will ask for your name, the date, time, and location of the incident of domestic violence, dating violence, sexual assault, or stalking, and a description of the incident. The certification form provides for including the name of the abuser or perpetrator if the name of the abuser or perpetrator is known and is safe to provide.

- A record of a Federal, State, tribal, territorial, or local law enforcement agency, court, or administrative agency that documents the incident of domestic violence, dating violence, sexual assault, or stalking. Examples of such records include police reports, protective orders, and restraining orders, among others.
- A statement, which you must sign, along with the signature of an employee, agent, or volunteer of a victim service provider, an attorney, a medical professional or a mental health professional (collectively, "professional") from whom you sought assistance in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse, and with the professional selected by you attesting under penalty of perjury that he or she believes that the incident or incidents of domestic violence, dating violence, sexual assault, or stalking are grounds for protection.
- Any other statement or evidence that DCHA has agreed to accept.

If you fail or refuse to provide one of these documents within the 14 business days, DCHA does not have to provide you with the protections contained in this notice.

If DCHA receives conflicting evidence that an incident of domestic violence, dating violence, sexual assault, or stalking has been committed (such as certification forms from two or more members of a household each claiming to be a victim and naming one or more of the other petitioning household members as the abuser or perpetrator), DCHA has the right to request that you provide third-party documentation within thirty 30 calendar days in order to resolve the conflict. If you fail or refuse to provide third-party documentation where there is conflicting evidence, DCHA does not have to provide you with the protections contained in this notice.

Confidentiality

DCHA must keep confidential any information you provide related to the exercise of your rights under VAWA, including the fact that you are exercising your rights under VAWA.

DCHA must not allow any individual administering assistance or other services on behalf of DCHA (for example, employees and contractors) to have access to confidential information unless for reasons that specifically call for these individuals to have access to this information under applicable Federal, State, or local law.

DCHA must not enter your information into any shared database or disclose your information to any other entity or individual. DCHA, however, may disclose the information provided if:

- You give written permission to DCHA to release the information on a time limited basis.
- DCHA needs to use the information in an eviction or termination proceeding, such as to evict your abuser or perpetrator or terminate your abuser or perpetrator from assistance under this program.
- A law requires DCHA or your landlord to release the information.

VAWA does not limit DCHA's duty to honor court orders about access to or control of the property. This includes orders issued to protect a victim and orders dividing property among household members in cases where a family breaks up.

Reasons a Tenant Eligible for Occupancy Rights under VAWA May Be Evicted or Assistance May Be Terminated

You can be evicted, and your assistance can be terminated for serious or repeated lease violations that are not related to domestic violence, dating violence, sexual assault, or stalking committed against you. However, DCHA cannot hold tenants who have been victims of

domestic violence,

dating violence, sexual assault, or stalking to a more demanding set of rules than it applies to tenants who have not been victims of domestic violence, dating violence, sexual assault, or stalking.

The protections described in this notice might not apply, and you could be evicted and your assistance terminated, if DCHA can demonstrate that not evicting you or terminating your assistance would present a real physical danger that:

1) Would occur within an immediate time frame, and

2) Could result in death or serious bodily harm to other tenants or those who work on the property.

If DCHA can demonstrate the above, DCHA should only terminate your assistance or evict you if there are no other actions that could be taken to reduce or eliminate the threat.

Other Laws

VAWA does not replace any Federal, State, or local law that provides greater protection for victims of domestic violence, dating violence, sexual assault, or stalking. You may be entitled to additional housing protections for victims of domestic violence, dating violence, sexual assault, or stalking under other Federal laws, as well as under State and local laws.

Non-Compliance with The Requirements of This Notice

You may report a covered housing provider's violations of these rights and seek additional assistance, if needed, by contacting or filing a complaint with **DCHA's Public Housing Director or Housing Choice Voucher Director** or the **HUD Philadelphia Office**

215-656-0500

For Additional Information

You may view a copy of HUD's final VAWA rule at WWW.Hud.Gov

Additionally, DCHA must make a copy of HUD's VAWA regulations available to you if you ask to see them.

For questions regarding VAWA, please contact **DCHA's Public Housing Leasing Agent or your Housing Choice Voucher Specialist.**

For help regarding an abusive relationship, you may call the National Domestic Violence Hotline at 1-800-799-7233 or, for persons with hearing impairments, 1-800-787-3224 (TTY). You may also contact **Domestic Abuse Project Of Delaware County 24 Hour hotline 610-565-4590**

For tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at https://www.victimsofcrime.org/our-programs/stalking-resource-center.

For help regarding sexual assault, you may contact N**etwork's National Sexual Assault Hotline at 800-656-HOPE or visit online hotline https://ohl.rainn.org/online/.**

Victims of stalking seeking help may contact **Pennsylvania Coalition against Domestic Violence 1-800-799-SAFE**

Attachment: Certification form HUD-5382

Who May Receive VAWA Protections?

Who is Eligible?

VAWA protections cover tenants and assisted families, as defined under applicable program regulations. VAWA protections also cover applicants when they are applying for admission to a covered housing program.

VAWA protections are not limited to women. Victims of domestic violence, dating violence, sexual assault, or stalking are eligible for protections without regard to sex, gender identity, or sexual orientation. Victims cannot be discriminated against on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age, and HUD programs must also be operated consistently with HUD's Equal Access Rule, which requires that

HUD-assisted and HUD-insured housing are made available to all otherwise eligible individuals and families regardless of actual or perceived sexual orientation, gender identity, or marital status.

A PHA or owner may find instances of domestic violence, dating violence, sexual assault, or stalking against youth (those under the age of 18 years old) living in an assisted household for which the family may need to exercise VAWA protections to protect the youth victim. PHAs and owners should exercise the same documentation and confidentiality procedures in assisting a family in this situation.

Note: Un-emancipated minors would not be eligible to sign leases under HUD programs. Housing providers may consider contacting child welfare or child protective services, or law enforcement, when a minor claims to be a victim of domestic violence, dating violence, sexual assault, or stalking

Who is Ineligible?

Guests, unassisted members, and live-in aides of the family are ineligible for VAWA protections that are available only to tenants and participants.

As a reasonable accommodation, a tenant/participant can request VAWA protections based on the grounds that the live-in aid is a victim of domestic violence, dating violence, sexual assault or stalking. In addition, other reasonable accommodations may be needed on a case-by-case basis.

In cases where a guest or unassisted member is a victim of domestic violence, dating violence, sexual assault or stalking, a tenant/participant cannot be evicted or have assistance terminated on the basis of the domestic violence, dating violence, sexual assault or stalking of the guest or unassisted member.

Unassisted members who are also on the lease may qualify by way of the lease for VAWA protections at 24 CFR 5.2005(c).

EXHIBIT 16-2: SAMPLE NOTICE TO HOUSING CHOICE VOUCHER OWNERS AND MANAGERS REGARDING THE VIOLENCE AGAINST WOMEN ACT (VAWA)

This sample notice was adapted from a notice prepared by the National Housing Law Project.
A federal law that went into effect in 2006 protects individuals who are victims of domestic violence, dating violence, and stalking. The name of the law is the Violence against Women Act, or "VAWA." This notice explains your obligations under VAWA.

Protections for Victims

> You cannot refuse to rent to an applicant solely because he or she is a victim of domestic violence, dating violence, or stalking.
> You cannot evict a tenant who is the victim of domestic violence, dating violence, or stalking based on acts or threats of violence committed against the victim. Also, criminal acts directly related to the domestic violence, dating violence, or stalking that are caused by a household member or guest cannot be cause for evicting the victim of the abuse.

Permissible Evictions

You can evict a victim of domestic violence, dating violence, or stalking if you can demonstrate that there is an *actual and imminent* (immediate) threat to other tenants or employees at the property if the victim is not evicted. Also, you may evict a victim for serious or repeated lease violations that are not related to the domestic violence, dating violence, or stalking. You cannot hold a victim of domestic violence, dating violence, or stalking to a more demanding standard than you hold tenants who are not victims.

Removing the Abuser from the Household

You may bifurcate (split) the lease to evict a tenant who has committed criminal acts of violence against family members or others, while allowing the victim and other household members to stay in the unit. If you choose to remove the abuser, you may not take away the remaining tenants' rights to the unit or otherwise punish the remaining tenants. In removing the abuser from the household, you must follow federal, state, and local eviction procedures.

Certification of Domestic Violence, Dating Violence, or Stalking

If a tenant asserts VAWA's protections, you can ask the tenant to certify that he or she is a victim of domestic violence, dating violence, or stalking. You are not required to demand official documentation and may rely upon the victim's statement alone. If you choose to request certification, you must do so in writing and give the tenant at least 10 business days to provide documentation. You are free to extend this deadline.

A tenant can certify that he or she is a victim by providing any one of the following three documents:

- A completed, signed HUD-approved certification form. The most recent form is HUD- 50066. This form is available at the housing authority or online at http://www.hud.gov/offices/adm/hudclips/forms/hud5.cfm.

- A statement from a victim service provider, attorney, or medical professional who has helped the victim address incidents of domestic violence, dating violence, or stalking. The professional must state that he or she believes that the incidents of abuse are real. Both the victim and the professional must sign the statement under penalty of perjury.

- A police or court record, such as a protective order.

If the tenant fails to provide one of these documents within 14 business days, you may evict the tenant if authorized by otherwise applicable law and lease provisions.

Victim Confidentiality

Given the significant safety issues faced by victims of domestic violence, dating violence, sexual assault, or stalking, it is critical that covered housing providers establish or update existing policies to maintain the confidentiality and privacy of victims who seek protections under the VAWA Final Rule.

The VAWA Final Rule clarified that any information submitted to a covered housing provider under 24 CFR 5.2007, including the fact that an individual is a victim of domestic violence, dating violence, sexual assault, or stalking, must be maintained in confidence by the covered housing provider. (See 24 CFR 5.2007(c).)

a. Employees of the PHA or owner (or those who administer assistance on their behalf, (e.g., contractors) must not have access to the information unless explicitly authorized by the PHA or owner for reasons that specifically call for these individuals to have access to such information under applicable Federal, State, or local law (e.g., the information is needed by a PHA employee to provide the VAWA protections to the victim); and

b. The PHA or owner must not enter this information into any shared database, or disclose this information to any other entity or individual (e.g. a prospective owner of participant's unit), except to the extent that disclosure is:

1) Requested or consented to in writing by the individual (victim) in a time-limited release;

2) Required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program; or

3) Otherwise required by applicable law.

The prohibition against entering this information into any shared database does not preclude a PHA or owner from entering this information into a database system used by the PHA or owner that meets all requirements for securing sensitive personally identifiable information (PII), including the Privacy Act of 1974 (5 U.S.C. § 552a), as long as the requirements listed above and provided at 24 CFR 5.2007(c) are also met (e.g. the victim consents to in in writing in a time-limited release). For additional guidance on maintaining confidentiality, see Notice PIH-2015-06, HUD Privacy Protection Guidance for Third Parties.

VAWA and Other Laws

VAWA does not limit your obligation to honor court orders regarding access to or control of the property. This includes orders issued to protect the victim and orders dividing property among household members in cases where a family breaks up.

VAWA does not replace any federal, state, or local law that provides greater protection for victims of domestic violence, dating violence, or stalking.

Chapter 17
PROJECT-BASED VOUCHERS

INTRODUCTION

This chapter describes HUD regulations and PHA policies related to the project-based voucher (PBV) program in nine parts:

Part I: General Requirements. This part describes general provisions of the PBV program including maximum budget authority requirements, relocation requirements, and equal opportunity requirements.

Part II: PBV Owner Proposals. This part includes policies related to the submission and selection of owner proposals for PBV assistance. It describes the factors the PHA will consider when selecting proposals, the type of housing that is eligible to receive PBV assistance, the cap on assistance at projects receiving PBV assistance, subsidy layering requirements, site selection standards, and environmental review requirements.

Part III: Dwelling Units. This part describes requirements related to housing quality standards, the type and frequency of inspections, and housing accessibility for persons with disabilities.

Part IV: Rehabilitated and Newly Constructed Units. This part describes requirements and policies related to the development and completion of rehabilitated and newly constructed housing units that will be receiving PBV assistance.

Part V: Housing Assistance Payments Contract. This part discusses HAP contract requirements and policies including the execution, term, and termination of the HAP contract. In addition, it describes how the HAP contract may be amended and identifies provisions that may be added to the HAP contract at the PHA's discretion.

Part VI: Selection of PBV Program Participants. This part describes the requirements and policies governing how the PHA and the owner will select a family to receive PBV assistance.

Part VII: Occupancy. This part discusses occupancy requirements related to the lease, and describes under what conditions families are allowed or required to move. In addition, exceptions to the occupancy cap (which limits PBV assistance to 25 percent of the units in any project) are also discussed.

Part VIII: Determining Rent to Owner. This part describes how the initial rent to owner is determined, and how rent will be re-determined throughout the life of the HAP contract. Rent reasonableness requirements are also discussed.

Part IX: Payments to Owner. This part describes the types of payments owners may receive under this program.

PART I: GENERAL REQUIREMENTS

17-I.A. OVERVIEW [24 CFR 983.5]

The project-based voucher (PBV) program allows PHAs that already administer a tenant-based voucher program under an annual contributions contract (ACC) with HUD to take up to 20 percent of its voucher program budget authority and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. PHAs may only operate a PBV program if doing so is consistent with the PHA's Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)].

DCHA Policy

DCHA will operate a project-based voucher program using up to 20 percent of its budget authority for project-based assistance. PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing [24 CFR 983.52]. If PBV units are already selected for project-based assistance either under an agreement to enter into HAP Contract (Agreement) or a HAP contract, the PHA is not required to reduce the number of these units if the amount of budget authority is subsequently reduced. However, the PHA is responsible for determining the amount of budget authority that is available for project-based vouchers and ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC [24 CFR 983.6].

17-I.B. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE [24 CFR 983.2]

Much of the tenant-based voucher program regulations also apply to the PBV program. Consequently, many of DCHA policies related to tenant-based assistance also apply to PBV assistance. The provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2.

DCHA Policy

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, DCHA policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants.

17-I.C. RELOCATION REQUIREMENTS [24 CFR 983.7]

Any persons 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 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24.

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. PHAs may not use voucher program funds to cover relocation costs, except that PHAs may use their 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 must also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances.

The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of the PHA to ensure the owner complies with these requirements.

17-I.D. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8]

DCHA must comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at 24 CFR 5.105(a). In addition, DCHA must comply with the PHA Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

PART II: PBV OWNER PROPOSALS

17-II.A. OVERVIEW

DCHA must describe the procedures for owner submission of PBV proposals and for PHA selection of PBV proposals [24 CFR 983.51]. Before selecting a PBV proposal, DCHA must determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing [24 CFR 983.53 and 983.54], complies with the cap on the number of PBV units per project [24 CFR 983.56], and meets the site selection standards [24 CFR 983.57]. DCHA may not commit PBVs until or unless it has followed the proposal selection requirements defined in 24 CFR 983.51 [Notice PIH 2011-54].

17-II.B. OWNER PROPOSAL SELECTION PROCEDURES [24 CFR 983.51(b)]

DCHA must select PBV proposals in accordance with the selection procedures in the DCHA administrative plan. DCHA must select PBV proposals by either of the following two methods.

DCHA request for PBV Proposals. DCHA may solicit proposals by using a request for proposals to select proposals on a competitive basis in response to a DCHA request. DCHA may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.

- DCHA may select proposal that were previously selected based on a competition. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did

not involve any consideration that the project would receive PBV assistance. The PHA need not conduct another competition

Solicitation and Selection of PBV Proposals [24 CFR 983.51(c)]

DCHA procedures for selecting PBV proposals must be designed and actually operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by DCHA. The public notice procedures may include publication of the public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice. The public notice of DCHA's request for PBV proposals must specify the submission deadline. Detailed application and selection information must be provided at the request of interested parties.

DCHA Policy

DCHA will post the RFP and proposal submission and rating and ranking procedures on its electronic web site. Proposals will be due in DCHA's offices by close of business 30 calendar days from the date of the last publication.

In order for the proposal to be considered, the owner must submit the proposal to DCHA by the published deadline date, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed.

DCHA will rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

Owner experience and capability to build or rehabilitate housing as identified in the RFP; Extent to which the project furthers the DCHA goal of deconcentrating poverty and expanding housing and economic opportunities; If applicable, the extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and Projects with less than 25 percent of the units assisted will be rated higher than projects with 25 percent of the units assisted. In the case of projects for occupancy by the elderly, persons with

disabilities or families needing other services, DCHA will rate partially assisted projects on the percent of unassisted. Projects with the lowest percent of assisted units will receive the highest score.

DCHA Requests for Proposals for Existing Housing Units

DCHA will advertise its request for proposals (RFP) for existing housing in the local newspapers In addition, DCHA will post the notice inviting such proposal submission and the rating and ranking procedures on its electronic web site.

DCHA will periodically publish its advertisement in the newspapers and trade journals mentioned above for at least one day per week for three consecutive weeks.

The advertisement will specify the number of units the DCHA estimates that it will be able to assist under the funding DCHA is making available. Owner proposals will be accepted on a first-come first-served basis and will be evaluated using the following criteria:

Experience as an owner in the tenant-based voucher program and owner compliance with the owner's obligations under the tenant-based program;

Extent to which the project furthers DCHA's goal of deconcentrating poverty and expanding housing and economic opportunities;

If applicable, extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and Extent to which units are occupied by families that are eligible to participate in the PBV program.

DCHA Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program DCHA will accept proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits on an ongoing basis.

DCHA may periodically advertise that it is accepting proposals, in the local newspapers and trade journals:

In addition to, or in place of advertising, DCHA may also directly contact specific owners that have already been selected for Federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance. Proposals will be reviewed on a first-come first-served basis. DCHA will evaluate each proposal on its merits using the following factors:

Extent to which the project furthers DCHA's goal of deconcentrating poverty and expanding housing and economic opportunities; and Extent to which the proposal complements other local activities such as the redevelopment of a public housing site under the HOPE VI

program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community

PHA-Owned Units [24 CFR 983.51(e), 983.59, and Notice PIH 2015-05 and FR Notice 1/18/17]

DCHA-owned unit may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that DCHA owned units were appropriately selected based on the selection procedures specified in DCHA's administrative plan. If DCHA selects a proposal for housing that is owned or controlled by the DCHA, DCHA must identify the entity that will review DCHA's proposal selection process and perform specific functions with respect to rent determinations and inspections.

In the case of DCHA-owned units, the term of the HAP contract and any HAP contract renewal must be agreed upon by the DCHA and a HUD-approved independent entity. In addition, an independent entity must determine the rent to owner, the re-determined rent to owner, and reasonable rent. Housing quality standards inspections must also be conducted by an independent entity.

The independent entity that performs these program services may be the unit of general local government for DCHA jurisdiction (unless DCHA is itself the unit of general local government or an agency of such government) or another HUD-approved public or private independent entity.

DCHA Notice of Owner Selection [24 CFR 983.51(d)]

DCHA must give prompt written notice to the party that submitted a selected proposal and must also give prompt public notice of such selection. Public notice procedures may include publication of public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice.

DCHA Policy

Within 10 business days of DCHA making the selection, DCHA will notify the selected owner in writing of the owner's selection for the PBV program. DCHA will also notify in writing all owners that submitted proposals that were not selected and advise such owners of the name of the selected owner.
In addition, DCHA will publish its notice for selection of PBV proposals for two consecutive days in the same newspapers and trade journals DCHA used to solicit the proposals. The announcement will include the name of the owner that was selected for the PBV program. DCHA will also post the notice of owner selection on its electronic web site.
DCHA will make available to any interested party its rating and ranking sheets and documents that identify DCHA's basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one month after

publication of the notice of owner selection. DCHA will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.
DCHA will make these documents available for review at the PHA during normal business hours. The cost for reproduction of allowable documents will be $.25 per page.

17-II.C. HOUSING TYPE [24 CFR 983.52]
DCHA may attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an agreement to enter into a housing assistance payments contract that was executed prior to the start of construction. A housing unit is considered an existing unit for purposes of the PBV program, if, at the time of notice of PHA selection, the units substantially comply with HQS. Units for which new construction or rehabilitation began after the owner's proposal submission but prior to the execution of the HAP do not subsequently qualify as existing housing. Units that were newly constructed or rehabilitated in violation of program requirements also do not qualify as existing housing.
DCHA must decide what housing type, new construction, rehabilitation, or existing housing, will be used to develop project-based housing. The PHA choice of housing type must be reflected in its solicitation for proposals.

17-II.D. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS
Ineligible Housing Types [24 CFR 983.53]

DCHA may not attach or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes; and transitional housing. In addition, the PHA may not attach or pay PBV assistance for a unit occupied by an owner and the PHA may not select or enter into an agreement to enter into a HAP contract or HAP contract for a unit occupied by a family ineligible for participation in the PBV program. A member of a cooperative who owns shares in the project assisted under the PBV program is not considered an owner for purposes of participation in the PBV program. Finally, PBV assistance may not be attached to units for which construction or rehabilitation has started after the proposal submission and prior to the execution of an AHAP.

Subsidized Housing [24 CFR 983.54]
A PHA may not attach or pay PBV assistance to units in any of the following types of subsidized housing:

- A public housing unit;
- A unit subsidized with any other form of Section 8 assistance;
- A unit subsidized with any governmental rent subsidy;
- A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
- A unit subsidized with Section 236 rental assistance payments (except that a PHA may attach

assistance to a unit subsidized with Section 236 interest reduction payments);

- A Section 202 project for non-elderly with disabilities;
- Section 811 project-based supportive housing for persons with disabilities;
- Section 202 supportive housing for the elderly;
- A Section 101 rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance;
- A unit with any other duplicative federal, state, or local housing subsidy, as determined byHUD or the PHA in accordance with HUD requirements.

17-II.E. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55, FR Notice 11/24/08, FR Notice 7/9/10, and FR Notice 6/25/14]

The PHA may provide PBV assistance only in accordance with HUD subsidy layering regulations [24 CFR 4.13] and other requirements.

The subsidy layering review is intended to prevent excessive public assistance by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

Subsidy layering requirements do not apply to existing housing. A further subsidy layering review is not required for new construction or rehabilitation if HUD's designee has conducted a review that included a review of PBV assistance in accordance with the PBV subsidy layering guidelines.

The PHA must submit the necessary documentation to HUD for a subsidy layering review. Except in cases noted above, the PHA may not enter into an agreement to enter into a HAP contract or a HAP contract until HUD, or a HUD-approved housing credit agency (HCA), has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements. However, in order to satisfy applicable requirements, HCAs must conduct subsidy layering reviews in compliance with the guidelines set forth in the *Federal Register* notice published July 9, 2010.

The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements.

17-II.F. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT

25 Percent per Project Cap [24 CFR 983.56]

In general, DCHA may not select a proposal to provide PBV assistance for units in a project or enter into an agreement to enter into a HAP or a HAP contract to provide PBV assistance for units in a project, if the total number of dwelling units in the project that will receive PBV assistance during the term of the PBV HAP contract is more than the greater of 25 units or 25 percent of the number of dwelling units (assisted or unassisted) in the project.

Exceptions to 25 Percent per Project Cap FR Notice 1/18/17

Exceptions are allowed and PBV units are not counted against the 25 percent per project cap if:
• The units are exclusively for elderly families

• The units are for households eligible for supportive services available to all families receiving PBV assistance in the project

• The project is located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year estimates

The Housing Opportunity Through Modernization Act of 2016 (HOTMA) eliminated the project cap exemption for projects that serve disabled families and modified the exception for supportive services. Projects where these caps were implemented prior to HOTMA may continue to use the former exemptions and may renew their HAP contracts under the old requirements, unless the PHA and owner agree to change the conditions of the HAP contract. However, this change may not be made if it would jeopardize an assisted family's eligibility for continued assistance in the project.

PHAs must include in the PHA administrative plan the type of services offered to families for a project to qualify for the exception and the extent to which such services will be provided. The project must make supportive services available to all families receiving PBV assistance in the project, but the family does not actually have to accept and receive supportive services for the exception to apply to the unit. It is not necessary that the services be provided at or by the project, but must be reasonably available to families receiving PBV assistance at the project and designed to help families in the project achieve self-sufficiency or live in the community as independently as possible A PHA may not require participation in the supportive service as a condition of living in the excepted unit, although such services may be offered.

If a family at the time of initial tenancy is receiving, and while the resident of an excepted unit has received, FSS supportive services or any other supportive services as defined in the PHA administrative plan, and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

DCHA Policy

Excepted units will be limited to units for elderly families.

Projects not Subject to a Project Cap [FR Notice 1/18/17]

PBV units that were previously subject to certain federal rent restrictions or receiving another type of long-term housing subsidy provided by HUD are exempt from the project cap. In other words, 100 percent of the units in these projects may receive PBV assistance. To qualify for the exception, the unit must:

• Be covered by a PBV HAP contract that first became effective on or after 4/18/17; and

• In the five years prior to the date the PHA either issued the RFP under which the project was selected or the PHA selected the project without competition, the unit met at least one of the two following conditions:

- The unit received Public Housing Capital or Operating Funds, Project-Based Rental Assistance, Housing for the Elderly (Section 303), Housing for Persons with disabilities (Section 811), the Rental Supplement program,

- The unit was subject to a rent restriction as a result of one of the following HUD loans or insurance programs: Section 236, Section 221(d)(3) or (d)(4) BMIR, Housing for the Elderly (Section 202), or Housing for Persons with Disabilities (Section 811)

Units that were previously receiving PBV assistance are not covered by the exception. Both existing and rehabilitation units are eligible for this exception. Newly constructed units qualify if they meet the definition of *replacement unit* described in FR Notice 1/18/17.

DCHA Policy

The PHA does not have any PBV units that are subject to the per project cap exception.

Promoting Partially-Assisted Projects [24 CFR 983.56(c)]
A PHA may establish local requirements designed to promote PBV assistance in partially assisted projects. A *partially assisted project* is a project in which there are fewer units covered by a HAP contract than residential units [24 CFR 983.3].
A PHA may establish a per-project cap on the number of units that will receive PBV assistance or other project-based assistance in a multifamily project containing excepted units or in a single-family
building. A PHA may also determine not to provide PBV assistance for excepted units, or the PHA may establish a per-project cap of less than 25 percent.
PHA Policy:
The PHA will not provide assistance for excepted units. Beyond that, the PHA will not impose any further cap on the number of PBV units assisted per project.

17-II.G. SITE SELECTION STANDARDS
Compliance with PBV Goals, Civil Rights Requirements, and HQS Site Standards [24 CFR 983.57(b)]

The PHA may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an agreement to enter into a HAP contract or HAP contract for units on the site, unless the PHA has determined that PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic

opportunities must be consistent with the PHA Plan under 24 CFR 903 and the PHA administrative plan.
In addition, prior to selecting a proposal, the PHA must determine that the site is suitable from

the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(l).

PHA Policy

It is the PHA goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal the PHA will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.

However, the PHA will grant exceptions to the 20 percent standard where the PHA determines that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites in:

A census tract in which the proposed PBV development will be located in a HUD designated Enterprise Zone, Economic Community, or Renewal Community;

A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;

A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;

A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area;

A census tract where there has been an overall decline in the poverty rate within the past five years; or

A census tract where there are meaningful opportunities for educational and economic advancement.

Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)]

The PHA may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract for existing or rehabilitated housing until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Be accessible to social, recreational, educational, commercial, and health facilities andservices and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Be located so that travel time and cost via public transportation or private automobile fromthe neighborhood to places of employment is not excessive.

New Construction Site and Neighborhood Standards [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:

- The site must be adequate in size, exposure, and contour to accommodate the number andtype of units proposed;
- The site must have adequate utilities and streets available to service the site;
- The site must not be located in an area of minority concentration unless the PHA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
- The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

17-II.H. ENVIRONMENTAL REVIEW [24 CFR 983.58]

The PHA activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The *responsible entity* is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The PHA may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract until it has complied with the environmental review requirements.

In the case of existing housing, the responsible entity that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

The PHA may not enter into an agreement to enter into a HAP contract or a HAP contract with an owner, and the PHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until the environmental review is completed.

The PHA must supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. The PHA must require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

PART III: DWELLING UNITS

17-III.A. OVERVIEW

This part identifies the special housing quality standards that apply to the PBV program, housing accessibility for persons with disabilities, and special procedures for conducting housing quality standards inspections.

17-III.B. HOUSING QUALITY STANDARDS [24 CFR 983.101]

The housing quality standards (HQS) for the tenant-based program, including those for special housing types, generally apply to the PBV program. HQS requirements for shared housing, manufactured home space rental, and the homeownership option do not apply because these housing types are not assisted under the PBV program.
The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

Lead-based Paint [24 CFR 983.101(c)]

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

17-III.C. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The PHA must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.
Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

17-III.D. INSPECTING UNITS

Pre-selection Inspection [24 CFR 983.103(a)]

The PHA must examine the proposed site before the proposal selection date. If the units to be assisted already exist, the PHA must inspect all the units before the proposal selection date, and must determine whether the units substantially comply with HQS. To qualify as existing housing, units must substantially comply with HQS on the proposal selection date. However, the PHA may not execute the HAP contract until the units fully comply with HQS.

Pre-HAP Contract Inspections [24 CFR 983.103(b)]

The PHA must inspect each contract unit before execution of the HAP contract. The PHA may not enter into a HAP contract covering a unit until the unit fully complies with HQS.

Turnover Inspections [24 CFR 983.103(c)]

Before providing assistance to a new family in a contract unit, the PHA must inspect the unit. The PHA may not provide assistance on behalf of the family until the unit fully complies with HQS.

Annual/Biennial Inspections [24 CFR 983.103(d); FR Notice 6/25/14]

At least once every 24 months during the term of the HAP contract, the PHA must inspect a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this inspection requirement.

PHA Policy

The PHA will inspect on an annual basis a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS.
If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, the PHA must reinspect 100 percent of the contract units in the building.

Other Inspections [24 CFR 983.103(e)]

The PHA must inspect contract units whenever needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The PHA must take into account complaints and any other information coming to its attention in scheduling inspections.
The PHA must conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of HQS.
In conducting PHA supervisory quality control HQS inspections, the PHA should include a representative sample of both tenant-based and project-based units.

Inspecting PHA-Owned Units [24 CFR 983.103(f)]

In the case of PHA-owned units, the inspections must be performed by an independent agency designated by the PHA and approved by HUD. The independent entity must furnish a copy of each inspection report to the PHA and to the HUD field office where the project is located. The PHA must take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by the PHA-owner.

PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS
17-IV.A. OVERVIEW [24 CFR 983.151]

There are specific requirements that apply to PBV assistance for newly constructed or rehabilitated housing that do not apply to PBV assistance in existing housing. This part describes the requirements unique to this type of assistance.
Housing selected for this type of assistance may not at a later date be selected for PBV assistance as existing housing.

17-IV.B. AGREEMENT TO ENTER INTO HAP CONTRACT

In order to offer PBV assistance in rehabilitated or newly constructed units, the PHA must enter into an agreement to enter into HAP contract (Agreement) with the owner of the property. The Agreement must be in the form required by HUD [24 CFR 983.152(b)]. The PHA may not enter into an Agreement if commencement of construction or rehabilitation has commenced after proposal submission [24 CFR 983.152(c)]. Construction begins when excavation or site preparation (including clearing of the land) begins for the housing. Rehabilitation begins with the physical commencement of rehabilitation activity on the housing.
In the Agreement the owner agrees to develop the PBV contract units to comply with HQS, and the PHA agrees that upon timely completion of such development in accordance with the terms of the Agreement, the PHA will enter into a HAP contract with the owner for the contract units [24 CFR 983.152(a)].

Content of the Agreement [24 CFR 983.152(d)]

At a minimum, the Agreement must describe the following features of the housing to be developed and assisted under the PBV program:

- Site and the location of the contract units;
- Number of contract units by area (size) and number of bedrooms and bathrooms;
- Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent;
- Utilities available to the contract units, including a specification of utility services to be paidby the owner and utility services to be paid by the tenant;
- An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the Agreement. If applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the Agreement;
- Estimated initial rents to owner for the contract units;
- Description of the work to be performed under the Agreement. For rehabilitated units, thedescription must include the rehabilitation work write up and, where determined necessary by the PHA, specifications and plans. For new construction units, the description must include the working drawings and specifications.

- Any additional requirements for quality, architecture, or design over and above HQS.

Execution of the Agreement [24 CFR 983.153]

The Agreement must be executed promptly after PHA notice of proposal selection to the selected owner. The PHA may not enter into the Agreement if construction or rehabilitation has started after proposal submission. Generally, the PHA may not enter into the Agreement with the owner until the subsidy layering review is completed. Likewise, the PHA may not enter into the Agreement until the environmental review is completed and the PHA has received environmental approval. However, the PHA does not need to conduct a subsidy layering review in the case of a HAP contract for existing housing or if the applicable state or local agency has conducted such a review. Similarly, environmental reviews are not required for existing structures unless otherwise required by law or regulation.

PHA Policy
The PHA will enter into the Agreement with the owner within 10 business days of receiving both environmental approval and notice that subsidy layering requirements have been met, and before construction or rehabilitation work is started.

17-IV.C. CONDUCT OF DEVELOPMENT WORK

Labor Standards [24 CFR 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
form of the Agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates.
The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. The PHA must monitor compliance with labor standards.

Equal Opportunity [24 CFR 983.154(c)]

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements.

Owner Disclosure [24 CFR 983.154(d) and (e)]

The Agreement and HAP contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.
The owner must also disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.

17-IV.D. COMPLETION OF HOUSING

The Agreement must specify the deadlines for completion of the housing, and the owner must develop and complete the housing in accordance with these deadlines. The Agreement must also specify the deadline for submission by the owner of the required evidence of completion.

Evidence of Completion [24 CFR 983.155(b)]

At a minimum, the owner must submit the following evidence of completion to the PHA in the form and manner required by the PHA:

- Owner certification that the work has been completed in accordance with HQS and all requirements of the Agreement; and
- Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing.

At DCHA's discretion, the Agreement may specify additional documentation that must be submitted by the owner as evidence of housing completion.

DCHA Policy

DCHA will determine the need for the owner to submit additional documentation as evidence of housing completion on a case-by-case basis depending on the nature of the PBV project. DCHA will specify any additional documentation requirements in the Agreement to enter into HAP contract.

PHA Acceptance of Completed Units [24 CFR 983.156]

Upon notice from the owner that the housing is completed, the PHA must inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with HQS and any additional requirements imposed under the Agreement. DCHA must also determine if the owner has submitted all required evidence of completion.

If the work has not been completed in accordance with the Agreement, DCHA must not enter into the HAP contract.

If the PHA determines the work has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, the PHA must submit the HAP contract for execution by the owner and must then execute the HAP contract.

PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)

17-V.A. OVERVIEW

The PHA must enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term. With the exception of single-family scattered-site projects, a HAP contract shall cover a single project. If multiple projects exist, each project is covered by a separate HAP contract. The HAP contract must be in the form required by HUD

[24 CFR 983.202(a)].

17-V.B. HAP CONTRACT REQUIREMENTS

Contract Information [24 CFR 983.203]

The HAP contract must specify the following information:

- The total number of contract units by number of bedrooms;
- The project's name, street address, city or county, state and zip code, block and lot number(if known), and any other information necessary to clearly identify the site and the building;
- The number of contract units in each building, the location of each contract unit, the area ofeach contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rentto owner;
- Utilities available to the contract units, including a specification of utility services to be paidby the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of theRehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- The HAP contract term;
- The number of units in any project that will exceed the 25 percent per project cap, which willbe set aside for occupancy by qualifying families (elderly and/or disabled families and

families receiving supportive services); and

- The initial rent to owner for the first 12 months of the HAP contract term.

Execution of the HAP Contract [24 CFR 983.204]

The PHA may not enter into a HAP contract until each contract unit has been inspected and the PHA has determined that the unit complies with the Housing Quality Standards (HQS). For existing housing, the HAP contract must be executed promptly after the PHA selects the owner proposal and inspects the housing units. For newly constructed or rehabilitated housing the HAP contract must be executed after the PHA has inspected the completed units and has determined that the units have been completed in accordance with the agreement to enter into HAP, and the owner furnishes all required evidence of completion.

PHA Policy
For existing housing, the HAP contract will be executed within 10 business days of the PHA determining that all units pass HQS.
For rehabilitated or newly constructed housing, the HAP contract will be executed within 10 business days of the PHA determining that the units have been completed in accordance with the agreement to enter into HAP, all units meet HQS, and the owner has submitted all required evidence of completion.

Term of HAP Contract [24 CFR 983.205]

The PHA may enter into a HAP contract with an owner for an initial term of no less than one year and no more than 15 years for each contract unit. The length of the term of the HAP contract for any contract unit may not be less than one year, nor more than 15 years. In the case

of PHA-owned units, the term of the HAP contract must be agreed upon by the PHA and the independent entity approved by HUD [24 CFR 983.59(b)(2)].

PHA Policy
The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis.

At the time of the initial HAP contract term or any time before expiration of the HAP contract, the PHA may extend the term of the contract for an additional term of up to 15 years if the PHA determines an extension is appropriate to continue providing affordable housing for low-income families. A HAP contract extension may not exceed 15 years. A PHA may provide for multiple extensions; however, in no circumstances may such extensions exceed 15 years, cumulatively. Extensions after the initial extension are allowed at the end of any extension term, provided that not more than 24 months prior to the expiration of the previous extension contract the PHA agrees to extend the term, and that such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities. Extensions after the initial extension term shall not begin prior to the expiration date of the previous extension term. 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. In the case of PHA-owned units, any extension of the term of the HAP contract must be agreed upon by the PHA and the independent entity approved by HUD [24 CFR 983.59(b)(2)].

PHA Policy

When determining whether or not to extend an expiring PBV contract, the PHA will consider several factors including, but not limited to:
The cost of extending the contract and the amount of available budget authority;
The condition of the contract units;
The owner's record of compliance with obligations under the HAP contract and lease(s);
Whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities; and
Whether the funding could be used more appropriately for tenant-based assistance.

Termination by PHA [24 CFR 983.205(c) ; FR NOTICE 1/18/17

The HAP contract must provide that the term of the PHA's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by the PHA 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.
In times of insufficient funding, HUD requires that PHAs first take all cost-saving measures prior to failing to make payments under existing PBV HAP contracts.
If it is determined that there may not be sufficient funding to continue housing assistance

payments for all contract units and for the full term of the HAP contract, the PHA may terminate the HAP contract by notice to the owner. The termination must be implemented in accordance *with HUD instructions.*

Termination by Owner [24 CFR 983.205(d)]

If in accordance with program requirements the amount of rent to an owner for any contract unit is reduced below the amount of the rent to owner at the beginning of the HAP contract term, the owner may terminate the HAP contract by giving notice to the PHA. In this case, families living in the contract units must be offered tenant-based assistance.

Statutory Notice Requirements: Contract Termination or Expiration [24 CFR 983.206]

Not less than one year before the HAP contract terminates, or if the owner refuses to renew the HAP contract, the owner must notify the PHA and assisted tenants of the termination. The notice must be provided in the form prescribed by HUD. If the owner does not give timely notice, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of the owner's inability to collect an increased tenant portion of rent. An owner may renew the terminating contract for a period of time sufficient to give tenants one-year advance notice under such terms as HUD may require.
Upon termination or expiration of the contract, a family living at the property is entitled to receive a tenant-based voucher. Tenant-based assistance would not begin until the owner's required notice period ends. DCHA must provide the family with a voucher and the family must also be given the option by DCHA and owner to remain in their unit with HCV tenant based assistance as long as the unit complies with inspection and rent reasonableness requirements. The family must pay their total tenant payment (TTP) and any additional amount if the gross rent exceeds the applicable payment standard. The family has the right to remain in the project as long as the units are used for rental housing and are otherwise eligible for HCV assistance. The owner may not terminate the tenancy of a family that exercises its right to remain except for serious or repeated lease violations or other good cause**.** Families that receive a tenant based voucher at the expiration or termination of the PBV HAP contract are not new admissions to DCHA HCV tenant-based program, and are not subject to income eligibility requirements or any other admission requirements. If the family chooses to remain in their unit with tenant-based assistance, the family may do so regardless of whether the family share would initially exceed 40 percent of the family's adjusted monthly income.

Remedies for HQS Violations [24 CFR 983.208(b)]

The PHA may not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If the PHA determines that a contract does not comply with HQS, the PHA may exercise any of its remedies under the HAP contract, for any or all of the contract units. Available remedies include termination of housing assistance payments, abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

DCHA Policy

DCHA will abate and terminate PBV HAP contracts for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program. These policies are contained in Section 8-II.G., Enforcing Owner Compliance.

17-V.C. AMENDMENTS TO THE HAP CONTRACT

Substitution of Contract Units [24 CFR 983.207(a)]

At the PHA'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 project for a previously covered contract unit. Before any such substitution can take place, the PHA must inspect the proposed unit and determine the reasonable rent for the unit.

Addition of Contract Units [24 CFR 983.207(b)]

Addition of Contract Units [FR Notice 1/18/17]

DCHA and owner may amend the HAP contract to add additional PBV contract units in projects that already have a HAP contract without having to fulfill the selection requirements found at 24 CFR 983.51(b) for those additional PBV units, regardless of when the HAP contract was signed. The additional PBV units, however, are still subject to the PBV program cap and individual project caps. Prior to attaching additional units without competition, DCHA must submit to the local field office information outlined in FR Notice 1/18/17. DCHA must also detail in the administrative plan their intent to add PBV units and the rationale for adding units to the specific PBV project.

DCHA Policy

DCHA will not add contract units to the HAP contract.

17-V.D. HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.207(b) and 983.302(e)]

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.
The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.
There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract.

17-V.E. OWNER RESPONSIBILITIES UNDER THE HAP [24 CFR 983.210]

When the owner executes the HAP contract s/he certifies that at such execution and at all times during the term of the HAP contract:

- All contract units are in good condition and the owner is maintaining the premises andcontract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment and utilities as agreed to underthe HAP contract and the leases;
- Each contract unit for which the owner is receiving HAP, is leased to an eligible family referred by the PHA, and the lease is in accordance with the HAP contract and HUD requirements;
- To the best of the owner's knowledge the family resides in the contract unit for which theowner is receiving HAP, and the unit is the family's only residence;
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
- The amount of the HAP the owner is receiving is correct under the HAP contract;
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
- Except for HAP and tenant rent, the owner has not received and will not receive any otherpayment or consideration for rental of the contract unit;
- The family does not own or have any interest in the contract unit (does not apply to family's membership in a cooperative); and
- Repair work on the project selected as an existing project that is performed after HAPexecution within such post-execution period as specified by HUD may constitute development activity, and if determined to be development activity, the repair work undertaken shall be in compliance with Davis-Bacon wage requirements.

17-V.F. ADDITIONAL HAP REQUIREMENTS

Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.208(a)]
The owner is required to maintain and operate the contract units and premises in accordance with HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with the PHA and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner. DCHA may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements must be specified in the Agreement to enter into a HAP contract and the HAP contract. These requirements must be in addition to, not in place of, compliance with HQS.

DCHA Policy

DCHA will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. The PHA will specify any

special design standards or additional requirements in the invitation for PBV proposals,

the agreement to enter into HAP contract, and the HAP contract.

Vacancy Payments [24 CFR 983.352(b)]

At the discretion of DCHA, the HAP contract may provide for vacancy payments to the owner for a PHA-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 moveout month. The amount of the vacancy payment will be determined by DCHA 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).

DCHA Policy

DCHA will decide on a case-by-case basis if DCHA will provide vacancy payments to the owner. The HAP contract with the owner will contain any such agreement, including the amount of the vacancy payment and the period for which the owner will qualify for these payments.

PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS

17-VI.A. OVERVIEW

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

17-VI.B. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]

DCHA may select families for the PBV program from those who are participants in DCHA'S tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the voucher program and does not need to be re-determined at the commencement of PBV assistance. For all others, eligibility for admission must be determined at the commencement of PBV assistance. Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and the PHA, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to the PHA's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. The PHA may also not approve a tenancy if the owner (including a principal or other interested party) of the unit is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless needed as a reasonable accommodation. An applicant family must also meet HUD requirements related to current or past criminal activity.

DCHAPolicy

DCHA will determine an applicant family's eligibility for the PBV program in accordance with the policies in Chapter 3.

In-Place Families [24 CFR 983.251(b)]

An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by the PHA is considered an "in-place family." These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on the PHA's waiting list. Once the family's continued eligibility is determined (the PHA may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family must be given an absolute selection preference and the PHA must refer these families to the project owner for an appropriately sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.
This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

17-VI.C. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c)]

The PHA may establish a separate waiting list for PBV units or it may use the same waiting list for both tenant-based and PBV assistance. The PHA may also merge the PBV waiting list with a waiting list for other assisted housing programs offered by the PHA. If the PHA chooses to offer a separate waiting list for PBV assistance, the PHA must offer to place applicants who are listed on the tenant-based waiting list on the waiting list for PBV assistance.
If a PHA decides to establish a separate PBV waiting list, the PHA may use a single waiting list for the PHA's whole PBV program, or it may establish separate waiting lists for PBV units in particular projects or buildings or for sets of such units.

17-VI.D. SELECTION FROM THE WAITING LIST [24 CFR 983.251(c)]

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

Income Targeting [24 CFR 983.251(c)(6)]

At least 75 percent of the families admitted to the PHA's tenant-based and project-based voucher programs during the PHA fiscal year from the waiting list must be extremely-low income families. The income targeting requirement applies to the total of admissions to both programs.

Units with Accessibility Features [24 CFR 983.251(c)(7)]

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, the PHA must first refer families who require such features to the owner.

Preferences [24 CFR 983.251(d), FR Notice 11/24/08]

The PHA may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or for occupancy of particular PBV developments or units. The PHA must provide an absolute selection preference for eligible in-place families as described in Section 17-VI.B. above. Although the PHA is prohibited from granting preferences to persons with a specific disability, the PHA may give preference to disabled families who need services offered at a particular project or site if the preference is limited to families (including individuals):

- With disabilities that significantly interfere with their ability to obtain and maintain themselves in housing;
- Who, without appropriate supportive services, will not be able to obtain or maintain themselves in housing; and
- For whom such services cannot be provided in a non-segregated setting.

In advertising such a project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible disabled persons who may benefit from services provided in the project. In these projects, disabled residents may not be required to accept the particular services offered as a condition of occupancy.

If the PHA has projects with more than 25 percent of the units receiving project-based assistance because those projects include "excepted units" (units specifically made available for elderly or disabled families, or families receiving supportive services), the PHA must give preference to such families when referring families to these units [24 CFR 983.261(b)].

DCHAPolicy

DCHAwill provide a selection preference when required by the regulation (e.g., eligible in-place families, qualifying families for "excepted units," mobility impaired persons for accessible units). The PHA will not offer any additional preferences for the PBV program or for particular PBV projects or units.

17-VI.E. OFFER OF PBV ASSISTANCE
Refusal of Offer [24 CFR 983.251(e)(3)]

DCHAis prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the waiting list for tenant-based voucher assistance;
- Deny any admission preference for which the applicant qualifies;
- Change the applicant's place on the waiting list based on preference, date, and time ofapplication, or other factors affecting selection under the PHA's selection policy;
- Remove the applicant from the tenant-based voucher waiting list.

Disapproval by Landlord [24 CFR 983.251(e)(2)]

If a PBV owner rejects a family for admission to the owner's units, such rejection may not affect the family's position on the tenant-based voucher waiting list.

Acceptance of Offer [24 CFR 983.252]

Family Briefing

When a family accepts an offer for PBV assistance, the PHA must give the family an oral briefing. The briefing must include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the PHA must provide a briefing packet that explains how the PHA determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

Persons with Disabilities

If an applicant family's head or spouse is disabled, the PHA must assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available (see Chapter 2). In addition, the PHA must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

Persons with Limited English Proficiency

The PHA should take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2).

17-VI.F. OWNER SELECTION OF TENANTS

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(a)(2) and (a)(3)].

Leasing [24 CFR 983.253(a)]

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by the PHA from the PHA's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the PHA's subsidy standards.

Filling Vacancies [24 CFR 983.254(a)]

The owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving such notice, the PHA must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies. The PHA and the owner must make reasonable efforts to minimize the likelihood and length of any vacancy.

DCHA Policy

The owner must notify DCHA in writing (mail, fax, or e-mail) within 5 business days of learning about any vacancy or expected vacancy.
DCHA will make every reasonable effort to refer families to the owner within 10 business days of receiving such notice from the owner.

Reduction in HAP Contract Units Due to Vacancies [24 CFR 983.254(b)]
If any contract units have been vacant for 120 or more days since owner notice of the vacancy, the PHA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (according to the bedroom size) that have been vacant for this period.

DCHA Policy

If any contract units have been vacant for 120 days, DCHA will 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 PHA will provide the notice to the owner within 10 business days of the 120th day of the vacancy. The amendment to the HAP contract will be effective the 1st day of the month following the date of DCHA's notice.

17-VI.G. TENANT SCREENING [24 CFR 983.255]
DCHA'S Responsibility

DCHA is not responsible or liable to the owner or any other person for the family's behavior or suitability for tenancy. However, DCHA may opt to screen applicants for family behavior or suitability for tenancy and may deny applicants based on such screening.

DCHA Policy

DCHA will not conduct screening to determine a PBV applicant family's suitability for tenancy.
DCHA must provide the owner with an applicant family's current and prior address (as shown in DCHA records) and the name and address (if known by DCHA) of the family's current landlord and any prior landlords.
In addition, DCHA may offer the owner other information DCHA may have about a family, including information about the tenancy history of family members or about drug trafficking and criminal activity by family members. DCHA must provide applicant families a description of DCHA's policy on providing information to owners, and DCHA must give the same types of information to all owners.
DCHA may not disclose to the owner any confidential information provided in response to a request for documentation of domestic violence, dating violence, sexual assault, or stalking except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(a)(4)].

DCHA Policy

DCHA will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the turnover HQS inspection or before. The PHA will not provide any additional information to the owner, such as tenancy history, criminal history, etc.

Owner Responsibility

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

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

PART VII: OCCUPANCY

17-VII.A. OVERVIEW

After an applicant has been selected from the waiting list, determined eligible by the PHA, referred to an owner and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

17-VII.B. LEASE [24 CFR 983.256]

The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Form of Lease [24 CFR 983.256(b)]

The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease, such as a PHA model lease.

The PHA may review the owner's lease form to determine if the lease complies with state and local law. If the PHA determines that the lease does not comply with state or local law, the PHA may decline to approve the tenancy.

DCHA Policy

DCHA will not review the owner's lease for compliance with state or local law.

Lease Requirements [24 CFR 983.256(c)]

The lease for a PBV unit must specify all of the following information:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed toidentify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of thelease in accordance with HUD requirements;
- A specification of the services, maintenance, equipment, and utilities that will be provided bythe owner; and
- The amount of any charges for food, furniture, or supportive services.

Tenancy Addendum [24 CFR 983.256(d)]

The tenancy addendum in the lease must state:

- The program tenancy requirements;
- The composition of the household as approved by the PHA (the names of family members and any PHA-approved live-in aide);
- All provisions in the HUD-required tenancy addendum must be included in the lease. Theterms of the tenancy addendum prevail over other provisions of the lease.

Initial Term and Lease Renewal [24 CFR 983.256(f)]

The initial lease term must be for at least one year. The lease must provide for automatic renewal after the initial term of the lease in either successive definitive terms (e.g. month-to-month or year-to-year) or an automatic indefinite extension of the lease term. For automatic indefinite extension of the lease term, the lease terminates if any of the following occur:

- The owner terminates the lease for good cause
- The tenant terminates the lease
- The owner and tenant agree to terminate the lease
- The PHA terminates the HAP contract
- The PHA terminates assistance for the family

Changes in the Lease [24 CFR 983.256(e)]

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give the PHA a copy of all changes.

The owner must notify DCHA in advance of any proposed change in the lease regarding the

allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by the PHA and in accordance with the terms of the lease relating to its amendment.

DCHA must re-determine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The re-determined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

Owner Termination of Tenancy [24 CFR 983.257]

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for "good cause" does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]

The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by PHA policy. According to program requirements, the family's assistance must be terminated if they are absent from the unit for more than 180 consecutive days. PHA termination of assistance actions due to family absence from the unit are subject to 24 CFR 981.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.

Continuation of Housing Assistance Payments [24 CFR 982.258]

Housing assistance payments shall continue until the tenant rent equals the rent to owner. The cessation of housing assistance payments at such point will not affect the family's other rights under its lease, nor will such cessation preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within 180 days following the date of the last housing assistance payment by DCHA. After the 180-day period, the unit shall be removed from the HAP contract pursuant to 24 CFR 983.211.

DCHA Policy

If a participating family receiving zero assistance experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify the PHA of the change and request an interim reexamination before the expiration of the 180-day period.

Security Deposits [24 CFR 983.259]

The owner may collect a security deposit from the tenant. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

DCHA Policy

DCHA will allow the owner to collect a security deposit amount the owner determines is appropriate.

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. The PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

17-VII.C. MOVES

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.260]

If the PHA determines that a family is occupying a wrong size unit, based on the PHA'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, the PHA must promptly notify the family and the owner of this determination, and the PHA must offer the family the opportunity to receive continued housing assistance in another unit.

DCHA Policy

DCHA will notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit within 10 business days of DCHA's determination. DCHA will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

PBV assistance in the same building or project;
PBV assistance in another project; and
Tenant-based voucher assistance.

If DCHA offers the family a tenant-based voucher, DCHA must terminate the housing assistance payments for a wrong-sized or accessible unit at the earlier of the expiration of the term of the family's voucher (including any extension granted by DCHA) or the date upon which the family vacates the unit. If the family does not move out of the wrong-sized unit or accessible unit by the expiration of the term of the family's voucher, DCHA must remove the unit from the HAP contract.

If DCHA offers the family another form of assistance that is not a tenant-based voucher, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by DCHA, or both, DCHA must terminate the housing assistance payments for the unit at the expiration of a reasonable period as determined by DCHA and remove the unit from the HAP contract.

DCHA Policy

When DCHA 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, DCHA will terminate the housing assistance payments at the expiration of this 30-day period.

DCHA 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 983.261]

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to DCHA. If the family wishes to move with continued tenant-based assistance, the family must contact DCHA to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements, DCHA 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, the PHA must 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.

17-VII.D. EXCEPTIONS TO THE OCCUPANCY CAP [24 CFR 983.262]

DCHA may not pay housing assistance under a PBV HAP contract for more than 25 percent of the number of dwelling units in a project unless the units are [24 CFR 983.56]:

- In a single-family building;
- Specifically made available for elderly and/or disabled families; or
- Specifically made available for families receiving supportive services as defined by the PHA.At least one member must be receiving at least one qualifying supportive service.

If a family at the time of initial tenancy is receiving and while the resident of an excepted unit has received Family Self-Sufficiency (FSS) supportive services or any other service as defined by DCHA and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

A family (or remaining members of a family) residing in an excepted unit that no longer meets the criteria for a "qualifying family" in connection with the 25 percent per project cap exception (e.g. a family that does not successfully complete its FSS contract of participation or supportive services requirements, or a family that is no longer elderly or disabled due to a change in family composition where DCHA does not exercise discretion to allow the family to remain in the excepted unit), must vacate the unit within a reasonable period of time established by DCHA, and DCHA must cease paying housing assistance payments on behalf of the non-qualifying

family.

If the family fails to vacate the unit within the established time, the unit must be removed from the HAP contract unless the project is partially assisted, and it is possible for the HAP contract to be amended to substitute a different unit in the building in accordance with program requirements; or the owner terminates the lease and evicts the family. The housing assistance payments for a family residing in an excepted unit that is not in compliance with its family obligations to comply with supportive services requirements must be terminated by DCHA.

DCHA may allow a family that initially qualified for occupancy of an excepted unit based on elderly or disabled family status to continue to reside in a unit, where through circumstances beyond the control of the family (e.g., death of the elderly or disabled family member or long-term
or permanent hospitalization or nursing care), the elderly or disabled family member no longer resides in the unit. In this case, the unit may continue to be counted as an excepted unit for as long as the family resides in that unit. Once the family vacates the unit, in order to continue as an excepted unit under the HAP contract, the unit must be made available to and occupied by a qualified family.

DCHA Policy
DCHA will allow families who initially qualified to live in an excepted unit to remain when circumstances change due to circumstances beyond the remaining family members' control.
In all other cases, when DCHA determines that a family no longer meets the criteria for a "qualifying family" in connection with the 25 percent per project cap exception, the PHA will provide written notice to the family and owner within 10 business days of making the determination. The family will be given 30 days from the date of the notice to move out of the PBV unit. If the family does not move out within this 30-day time frame, DCHA will terminate the housing assistance payments at the expiration of this 30-day period.
DCHA 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.
DCHA may refer other eligible families to the excepted units. However, if there are no eligible families on the waiting list and the owner does not refer eligible families to DCHA, DCHA will amend the HAP contract to reduce the total number of units under contract.

PART VIII: DETERMINING RENT TO OWNER

17-VIII.A. OVERVIEW

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the agreement to enter into HAP Contract (Agreement) states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.
During the term of the HAP contract, the rent to owner is re-determined at the owner's request in accordance with program requirements, and at such time that there is a five percent or greater decrease in the published FMR.

17-VIII.B. RENT LIMITS [24 CFR 983.301]

Except for certain tax credit units (discussed below), the rent to owner must not exceed the

lowest of the following amounts:

- An amount determined by the PHA, not to exceed 110 percent of the applicable fair market rent (or any HUD-approved exception payment standard) for the unit bedroom size minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

Certain Tax Credit Units [24 CFR 983.301(c)]

For certain tax credit units, the rent limits are determined differently than for other PBV units. Different limits apply to contract units that meet all of the following criteria:

- The contract unit receives a low-income housing tax credit under the Internal Revenue Codeof 1986;
- The contract unit is not located in a qualified census tract;
- There are comparable tax credit units of the same bedroom size as the contract unit in thesame project, and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds 110 percent of the fair market rent or any approved exception payment standard;

For contract units that meet all of these criteria, the rent to owner must not exceed the lowest of:

- The tax credit rent minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

Definitions

A *qualified census tract* is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

Tax credit rent is the rent charged for comparable units of the same bedroom size in the project that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

Reasonable Rent [24 CFR 983.301(e) and 983.302(c)(2)]

The PHA must determine reasonable rent in accordable with 24 CFR 983.303. The rent to owner for each contract unit may at no time exceed the reasonable rent, except in cases where the PHA has elected within the HAP contract not to reduce rents below the initial rent to owner and, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent. However, the rent to owner must be reduced in the following cases:

- To correct errors in calculations in accordable with HUD requirements
- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 24 CFR 983.55
- If a decrease in rent to owner is required based on changes in the allocation of theresponsibility for utilities between owner and tenant

If the PHA has not elected within the HAP contract to establish the initial rent to owner as the rent floor, the rent to owner shall not at any time exceed the reasonable rent.

PHA Policy

The PHA will elect within the HAP contract not to reduce rents below the initial level,

with the exception of circumstances listed in 24 CFR 983.302(c)(2). If, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent, the PHA will use the higher initial rent to owner amount.

Use of FMRs, Exception Payment Standards, and Utility Allowances [24 CFR 983.301(f)]
When determining the initial rent to owner, the PHA must 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, the PHA must use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination. At its discretion, the PHA 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 applies to the project-based voucher program. HUD will not approve a different exception payment stand amount for use in the PBV program.
Likewise, the PHA may not establish or apply different utility allowance amounts for the PBV program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

DCHA Policy
Upon written request by the owner, the PHA will consider using the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or redetermination of rent. The owner must explain the need to use the previous FMRs or utility allowances and include documentation in support of the request. The PHA will review and make a decision based on the circumstances and merit of each request.
In addition to considering a written request from an owner, the PHA may decide to use the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or redetermination of rent, if the PHA determines it is necessary due to PHA budgetary constraints.

Redetermination of Rent [24 CFR 983.302]

DCHA must re-determine the rent to owner upon the owner's request or when there is a five percent or greater decrease in the published FMR.

Rent Increase

If an owner wishes to request an increase in the rent to owner from DCHA, it must be requested at the annual anniversary of the HAP contract (see Section 17-V.D.). The request must be in writing and in the form and manner required by DCHA may only make rent increases in accordance with the rent limits described previously. There are no provisions in the PBV program for special adjustments (e.g., adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs).

DCHA Policy

An owner's request for a rent increase must be submitted to DCHA 60 days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is proposing. DCHA may not approve and the owner may not receive any increase of rent to owner until and unless the owner has complied with requirements of the HAP contract, including compliance with HQS. The owner may not receive any retroactive increase of rent for any period of noncompliance.

Rent Decrease

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment, except where the PHA has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract.

Notice of Rent Change

The rent to owner is re-determined by written notice by the PHA to the owner specifying the amount of the re-determined rent. The PHA notice of rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract. The adjusted amount of rent to owner applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

DCA Policy

DCHA will provide the owner with at least 30 days written notice of any change in the amount of rent to owner.

DCHA-Owned Units [24 CFR 983.301(g)]

DCHA-owned PBV units, the initial rent to owner and the annual redetermination of rent at the anniversary of the HAP contract are determined by the independent entity approved by HUD. The PHA must use the rent to owner established by the independent entity.

17-VIII.C. REASONABLE RENT [24 CFR 983.303]

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by the DCHA, except where DCHA has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract.

When Rent Reasonable Determinations Are Required

DCHA must re-determine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:

- There is a five percent or greater decrease in the published FMR in effect 60 days before thecontract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date;

- DCHA approves a change in the allocation of responsibility for utilities between the ownerand the tenant;
- The HAP contract is amended to substitute a different contract unit in the same building orproject; or
- There is any other change that may substantially affect the reasonable rent.

How to Determine Reasonable Rent

The reasonable rent of a unit receiving PBV assistance must be determined by comparison to rent for other comparable unassisted units. When making this determination, the PHA must consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

Comparability Analysis

For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project based
assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and must be retained by the PHA. The comparability analysis may be performed by DCHA staff or by another
qualified person or entity. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

DCHA-Owned Units

For DCHA-owned units, the amount of the reasonable rent must be determined by an independent
agency approved by HUD in accordance with PBV program requirements. The independent entity must provide a copy of the determination of reasonable rent for PHA-owned units to the PHA and to the HUD field office where the project is located.

Owner Certification of Reasonable Rent

By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, DCHA may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

17-VIII.D. EFFECT OF OTHER SUBSIDY AND RENT CONTROL

In addition to the rent limits discussed in Section 17-VIII.B above, other restrictions may limit the amount of rent to owner in a PBV unit. In addition, certain types of subsidized housing are

not even eligible to receive PBV assistance (see Section 17-II.D).

Other Subsidy [24 CFR 983.304]

To comply with HUD subsidy layering requirements, at the discretion of HUD or its designee, DCHA shall reduce the rent to owner because of other governmental subsidies, including tax credits or tax exemptions, grants, or other subsidized funding.
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:

- An insured or non-insured Section 236 project;
- A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
- A Section 221(d)(3) below market interest rate (BMIR) project;
- A Section 515 project of the Rural Housing Service;
- Any other type of federally subsidized project specified by HUD.

Combining Subsidy
Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements.

Rent Control [24 CFR 983.305]
In addition to the rent limits set by PBV program regulations, the amount of rent to owner may also be subject to rent control or other limits under local, state, or federal law.

PART IX: PAYMENTS TO OWNER
17-IX.A. HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351]

During the term of the HAP contract, DCHA must make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and DCHA agree on a later date.
Except for discretionary vacancy payments, DCHA may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).
The amount of the housing assistance payment by DCHA is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).
In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

17-IX.B. VACANCY PAYMENTS [24 CFR 983.352]

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if DCHA determines that the vacancy is the owner's fault.

DCHA Policy

If DCHA determines that the owner is responsible for a vacancy and, as a result, is not entitled to the keep the housing assistance payment, DCHA will notify the landlord of the amount of housing assistance payment that the owner must repay DCHA will require the owner to repay the amount owed in accordance with the policies in Section 16-IV B.

At the discretion of DCHA, the HAP contract may provide for vacancy payments to the owner.

DCHA may only make vacancy payments if:

- The owner gives DCHA prompt, written notice certifying that the family has vacated the unitand identifies the date when the family moved out (to the best of the owner's

knowledge);

- 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;
- The owner certifies that it has taken every reasonable action to minimize the likelihood andlength of vacancy; and
- The owner provides any additional information required and requested by the PHA 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 DCHA and must provide any information or substantiation required by the PHA to determine the amount of any vacancy payment.

DCHA Policy

If an owner's HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified DCHA of the vacancy in accordance with the policy in Section 17-VI.F. regarding filling vacancies. In order for a vacancy payment request to be considered, it must be made within 10 business days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and DCHA may require the owner to provide documentation to support the request. If the owner does not provide the information requested by DCHA within 10 business days of DCHA'S request, no vacancy payments will be made.

17-IX.C. TENANT RENT TO OWNER [24 CFR 983.353]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by DCHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in DCHA notice to the family and owner.
The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the PHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess payment to the tenant.

Tenant and PHA Responsibilities

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the PHA.

Likewise, DCHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. DCHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. DCHA may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

Utility Reimbursements

If the amount of the utility allowance exceeds the total tenant payment, DCHA must pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.
DCHA may pay the utility reimbursement directly to the family or to the utility supplier on behalf of the family. If DCHA chooses to pay the utility supplier directly, DCHA must notify the family of the amount paid to the utility supplier.
DCHA Policy
The PHA will may utility reimbursements to the family.

17-IX.D. OTHER FEES AND CHARGES [24 CFR 983.354]

Meals and Supportive Services

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

Other Charges by Owner
The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

GLOSSARY

A. ACRONYMS USED IN THE HOUSING CHOICE VOUCHER PROGRAM (HCV)

AAF Annual adjustment factor (published by HUD in the Federal Register and used to compute annual rent adjustments)
ACC Annual contributions contract
ADA Americans with Disabilities Act of 1990
AIDS acquired immune deficiency syndrome
BR Bedroom
CDBG Community Development Block Grant (Program)
CFR Code of Federal Regulations (published federal rules that define and implement laws; commonly referred to as "the regulations")
CPI Consumer price index (published monthly by the Department of Labor as an inflation indicator)
EID Earned income disallowance
EIV Enterprise Income Verification
FDIC Federal Deposit Insurance Corporation
FHA Federal Housing Administration (HUD Office of Housing)
FHEO Fair Housing and Equal Opportunity (HUD Office of)
FICA Federal Insurance Contributions Act (established Social Security taxes)
FMR Fair market rent
FR Federal Register
FSS Family Self-Sufficiency (Program)
FY Fiscal year
FYE Fiscal year end
GAO Government Accountability Office
GR Gross rent
HA Housing authority or housing agency
HAP Housing assistance payment
HCV Housing choice voucher
HQS Housing quality standards
HUD Department of Housing and Urban Development
HUDCLIPS HUD Client Information and Policy System
IPA Independent public accountant
IRA Individual Retirement Account
IRS Internal Revenue Service
JTPA Job Training Partnership Act
LBP Lead-based paint
LEP Limited English proficiency
MSA Metropolitan statistical area (established by the U.S. Censs Bureau)

MTCS Multi-family Tenant Characteristics System (now the Form HUD-50058 submodule of the PIC system)
MTW Moving to Work
NOFA Notice of funding availability
OGC HUD's Office of General Counsel
OIG HUD's Office of Inspector General
OMB Office of Management and Budget
PASS Plan to Achieve Self-Support
PHA Public housing agency
PIC PIH Information Center
PIH (HUD Office of) Public and Indian Housing
PS Payment standard
QC Quality control
QHWRA Quality Housing and Work Responsibility Act of 1998 (also known as the Public Housing Reform Act)
REAC (HUD) Real Estate Assessment Center
RFP Request for proposals
RFTA Request for tenancy approval
RIGI Regional inspector general for investigation (handles fraud and program abuse matters for HUD at the regional office level)
SEMAP Section 8 Management Assessment Program
SRO Single room occupancy
SSA Social Security Administration
SSI Supplemental security income
SWICA State wage information collection agency
TANF Temporary assistance for needy families
TPV Tenant protection vouchers
TR Tenant rent
TTP Total tenant payment
UA Utility
UFAS Uniform Federal Accessibility Standards
UIV Upfront income verification
URP Utility reimbursement payment
VAWA Violence Against Women Reauthorization Act of 2013

B. GLOSSARY OF SUBSIDIZED HOUSING TERMS

Absorption. In portability (under subpart H of this part 982): the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.
Accessible. The facility or portion of the facility can be approached, entered, and used by persons with disabilities.
Adjusted income. Annual income, less allowable HUD deductions and allowances.
Administrative fee. Fee paid by HUD to the PHA for administration of the program. See §982.152.
Administrative plan. The plan that describes PHA policies for administration of the tenant-based

programs. The Administrative Plan and any revisions must be approved by the PHA's board and included as a supporting document to the PHA Plan. See §982.54.

Admission. The point when the family becomes a participant in the program. The date used for this purpose is the effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program.

Affiliated individual. With respect to an individual, a spouse, parent, brother, sister, or child of that individual, or an individual to whom that individual stands in loco parentis (in the place of a parent), or any individual, tenant, or lawful occupant living in the household of that individual

Amortization payment. In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home.

Annual contributions contract (ACC). The written contract between HUD and a PHA under which HUD agrees to provide funding for a program under the 1937 Act, and the PHA agrees to comply with HUD requirements for the program.

Annual income. The anticipated total income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

Applicant (applicant family). A family that has applied for admission to a program but is not yet a participant in the program.

Area exception rent. An amount that exceeds the published FMR. See 24 CFR 982.504(b).

As-paid states. States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

Assets. (See *net family assets.*)

Auxiliary aids. Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving federal financial assistance.

Bifurcate. With respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.

Budget authority. An amount authorized and appropriated by the Congress for payment to PHAs under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

Child. *A* member of the family other than the family head or spouse who is under 18 years of age.

Child care expenses. Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

Citizen. *A* citizen or national of the United States.

Cohead. An individual in the household who is equally responsible for the lease with the head of household. A family may have a cohead or spouse but not both. A cohead never qualifies as a

dependent. The cohead must have legal capacity to enter into a lease.
Common space. In shared housing, the space available for use by the assisted family and other occupants of the unit.
Computer match. The automated comparison of databases containing records about individuals.
Confirmatory review. An on-site review performed by HUD to verify the management performance of a PHA.
Consent form. Any consent form approved by HUD to be signed by assistance applicants and participants to obtain income information from employers and SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, and retirement income); and return information for unearned income from the IRS. Consent forms expire after a certain time and may authorize the collection of other information to determine eligibility or level of benefits.
Congregate housing. Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing. A special housing type: see 24 CFR 982.606–609.
Contiguous MSA. In portability (under subpart H of part 982): An MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.
Continuously assisted. An applicant is continuously assisted under the 1937 Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program.
Contract authority. The maximum annual payment by HUD to a PHA for a funding increment.
Cooperative (term includes mutual housing). Housing owned by a nonprofit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing. A special housing type (see 24 CFR 982.619).
Covered families. Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which federal, state or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.
Dating violence. Violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
- The length of the relationship
- The type of relationship
- The frequency of interaction between the persons involved in the relationship

Dependent. A member of the family (except foster children and foster adults) other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student.
Dependent child. In the context of the student eligibility restrictions, a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* as specified above.
Disability assistance expenses. Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member, and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the

family nor reimbursed by an outside source.
Disabled family. A family whose head, cohead, spouse, or sole member is a person with disabilities; two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.
Disabled person. See *person with disabilities.*
Disallowance. Exclusion from annual income.
Displaced family. A family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to federal disaster relief laws.
Domestic violence. Felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
Domicile. The legal residence of the household head or spouse as determined in accordance with state and local law.

Drug-related criminal activity. The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute, or use the drug.
Economic self-sufficiency program. Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see 24 CFR 5.603(c).
Elderly family. A family whose head, cohead, spouse, or sole member is a person who is at least 62 years of age; two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.
Elderly person. An individual who is at least 62 years of age.
Eligible family (Family). A family that is income eligible and meets the other requirements of the 1937 Act and Part 5 of 24 CFR.
Employer identification number (EIN). The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation.
Evidence of citizenship or eligible status. The documents which must be submitted as evidence of citizenship or eligible immigration status. (See 24 CFR 5.508(b).)
Extremely low-income family. (ELI) To define ELI families as very low-income families whose income does not exceed the higher of 30% of the area median income or the federal poverty level.
Facility. All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock, or other real or personal property or interest in the property.
Fair Housing Act. Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988.
Fair market rent (FMR). The rent, including the cost of utilities (except telephone), as

established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. See periodic publications in the *Federal Register* in accordance with 24 CFR Part 888.

Family. ***Family.*** Includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, and can be further defined in PHA policy.

- A family with or without children (the temporary absence of a child from the home due to placement in foster care is not considered in determining family composition and family size)

- An elderly family or a near-elderly family
- A displaced family
- The remaining member of a tenant family
- A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

Family rent to owner. In the voucher program, the portion of rent to owner paid by the family.

Family self-sufficiency program (FSS program). The program established by a PHA in accordance with 24 CFR part 984 to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

Family share. The portion of rent and utilities paid by the family. For calculation of family share, see 24 CFR 982.515(a).

Family unit size. The appropriate number of bedrooms for a family, as determined by the PHA under the PHA subsidy standards.

Federal agency. A department of the executive branch of the Federal Government.

Foster child care payment. A payment to eligible households by state, local, or private agencies appointed by the state to administer payments for the care of foster children.

Full-time student. A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended). (See 24 CFR 5.603)

Funding increment. Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

Gender identity. Actual or perceived gender-related characteristics.

Gross rent. The sum of the rent to owner plus any utility allowance.

Group home. A dwelling unit that is licensed by a state as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide). (A special housing type: see 24 CFR 982.610–614.)

Handicap. Any condition or characteristic that renders a person an individual with handicaps. (See *person with disabilities*.)

HAP contract. The housing assistance payments contract. A written contract between the PHA and an owner for the purpose of providing housing assistance payments to the owner on behalf of an eligible family.

Head of household. The adult member of the family who is the head of the household for

purposes of determining income eligibility and rent.
Household. A household includes additional people other than the family who, with the PHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.
Housing assistance payment. The monthly assistance payment by a PHA, which includes: (1) A payment to the owner for rent to the owner under the family's lease; and (2) An additional payment to the family if the total assistance payment exceeds the rent to owner.
Housing agency (HA). See *public housing agency.*
Housing quality standards (HQS). The HUD minimum quality standards for housing assisted under the voucher program.
HUD. The U.S. Department of Housing and Urban Development.
Imputed asset. An asset disposed of for less than fair market value during the two years preceding examination or reexamination.
Imputed asset income. The PHA-established passbook rate multiplied by the total cash value of assets.
The calculation is used when net family assets exceed $5,000.
Imputed welfare income. An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction, but is included in the family's annual income and therefore reflected in the family's rental contribution.
Income. Income from all sources of each member of the household, as determined in accordance with criteria established by HUD.
Income for eligibility. Annual income.
Income information means information relating to an individual's income, including:
- All employment income information known to current or previous employers or other income sources
- All information about wages, as defined in the state's unemployment compensation law, including any social security number; name of the employee; quarterly wages of the employee; and the name, full address, telephone number, and, when known, employer identification number of an employer reporting wages under a state unemployment compensation law
- Whether an individual is receiving, has received, or has applied for unemployment compensation, and the amount and the period received
- Unearned IRS income and self-employment wages and retirement income
- Wage, social security, and supplemental security income data obtained from the Social Security Administration.

Individual with handicaps. See *person with disabilities.*
Initial PHA. In portability, the term refers to both: (1) A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and (2) A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.
Initial payment. The payment standard at the beginning of the HAP contract term.
Initial rent to owner. The rent to owner at the beginning of the HAP contract term.
Institution of higher education. An institution of higher education as defined in 20 U.S.C. 1001 and 1002. See Exhibit 3-2 in this Administrative Plan.
Jurisdiction. The area in which the PHA has authority under state and local law to administer the program.
Landlord. Either the owner of the property or his/her representative, or the managing agent or his/her representative, as shall be designated by the owner.

Lease. A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the PHA.

Live-in aide. A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

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

Living/Sleeping Room. A living room may be used as sleeping (bedroom) space, but no more than two persons may occupy the space. A bedroom or living/sleeping room must have at least one window and two electrical outlets in proper operating condition. See HCV GB p. 10-6 and 24 CFR 982.401.

Local Preference. A preference used by the PHA to select among applicant families.

Low-Income Family. A family whose income does not exceed 80 percent of the median income for the area as determined by HUD with adjustments for smaller or larger families, except that HUD may establish income limits higher or lower than 80 percent for areas with unusually high or low incomes.

Manufactured home. A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS. (A special housing type: see 24 CFR 982.620 and 982.621.)

Manufactured home space. In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See 24 CFR 982.622 to 982.624.

Medical expenses. Medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance (a deduction for elderly or disabled families only). These allowances are given when calculating adjusted income for medical expenses in excess of 3 percent of annual income.

Minor. A member of the family household other than the family head or spouse, who is under 18 years of age.

Mixed family. *A* family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

Monthly adjusted income. One twelfth of adjusted income.

Monthly income. One twelfth of annual income.

Mutual housing. Included in the definition of *cooperative.*

National. *A* person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

Near-elderly family. A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

Net family assets. (1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD

homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.
- In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under §5.609.
- In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

Noncitizen. *A* person who is neither a citizen nor national of the United States.

Notice of funding availability (NOFA). For budget authority that HUD distributes by competitive process, the *Federal Register* document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.

Office of General Counsel (OGC). The General Counsel of HUD.

Overcrowded. A unit that does not meet the following HQS space standards: (1) Provide adequate space and security for the family; and (2) Have at least one bedroom or living/sleeping room for each two persons.

Owner. Any person or entity with the legal right to lease or sublease a unit to a participant.

PHA Plan. The annual plan and the 5-year plan as adopted by the PHA and approved by HUD.

PHA's quality control sample. An annual sample of files or records drawn in an unbiased manner and reviewed by a PHA supervisor (or by another qualified person other than the person who performed the original work) to determine if the work documented in the files or records conforms to program requirements. For minimum sample size see CFR 985.3.

Participant (participant family). A family that has been admitted to the PHA program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (first day of initial lease term).

Payment standard. The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

Person with disabilities. *For the purposes of program eligibility*. A person who has a disability as defined under the Social Security Act or Developmental Disabilities Care Act, or a person who has a physical or mental impairment expected to be of long and indefinite duration and whose ability to live independently is substantially impeded by that impairment but could be improved by more suitable housing conditions. This includes persons with AIDS or conditions arising from AIDS but excludes persons whose disability is based solely on drug or alcohol dependence. *For the purposes of reasonable accommodation.* A person with a physical or mental impairment that substantially limits one or more major life activities, a person regarded as having such an impairment, or a person with a record of such an impairment.

Portability. Renting a dwelling unit with a Section 8 housing choice voucher outside the

jurisdiction of the initial PHA.
Premises. The building or complex in which the dwelling unit is located, including common areas and grounds.
Previously unemployed. With regard to the earned income disallowance, a person with disabilities who has earned, in the 12 months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.
Private space. In shared housing, the portion of a contract unit that is for the exclusive use of an assisted family.
Processing entity. The person or entity that, under any of the programs covered, is responsible for making eligibility and related determinations and any income reexamination. In the HCV program, the "processing entity" is the "responsible entity."
Project owner. The person or entity that owns the housing project containing the assisted dwelling unit.
Public assistance. Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by federal, state, or local governments.
Public housing agency (PHA). Any State, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.
Qualified family (under the earned income disallowance). A family participating in an applicable assisted housing program or receiving HCV assistance:
- 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
- Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance--provided that the total amount over a six-month period is at least $500.
Qualified census tract. With regard to certain tax credit units, any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent, and where the census tract is designated as a qualified census tract by HUD.
Reasonable rent. A rent to owner that is not more than rent charged: (1) For comparable units in the private unassisted market; and (2) For comparable unassisted units in the premises.
Reasonable accommodation. A change, exception, or adjustment to a rule, policy, practice, or service to allow a person with disabilities to fully access the PHA's programs or services.
Receiving PHA. In portability: A PHA that receives a family selected for participation in the

tenant-based program of another PHA. The receiving PHA issues a voucher and provides program assistance to the family.

Recertification. Sometimes called *reexamination.* The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported.

Remaining member of the tenant family. The person left in assisted housing who may or may not normally qualify for assistance on their own circumstances (i.e., an elderly spouse dies, leaving widow age 47 who is not disabled).

Rent to owner. The total monthly rent payable to the owner under the lease for the unit (also known as contract rent). Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

Residency preference. A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area (See *residency preference area*).

Residency preference area. The specified area where families must reside to qualify for a residency preference.

Responsible entity. For the public housing and the Section 8 tenant-based assistance, project based certificate assistance, and moderate rehabilitation programs, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

Secretary. The Secretary of Housing and Urban Development.

Section 8. Section 8 of the United States Housing Act of 1937.

Section 8 covered programs. All HUD programs which assist housing under Section 8 of the 1937 Act, including Section 8 assisted housing for which loans are made under Section 202 of the Housing Act of 1959.

Section 214. Section 214 of the Housing and Community Development Act of 1980, as amended.

Section 214 covered programs. The collective term for the HUD programs to which the restrictions imposed by Section 214 apply. These programs are set forth in 24 CFR 5.500.

Security deposit. A dollar amount (maximum set according to the regulations) which can be used for unpaid rent or damages to the owner upon termination of the lease.

Set-up charges. In a manufactured home space rental, charges payable by the family for assembling, skirting, and anchoring the manufactured home.

Sexual assault. Any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks capacity to consent (42 U.S.C. 13925(a)).

Sexual orientation. Homosexuality, heterosexuality or bisexuality.

Shared housing. A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. (A special housing type: see 24 CFR 982.615–982.618.)

Single Person. A person living alone or intending to live alone.

Single room occupancy housing (SRO). A unit that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities. (A special housing type: see 24 CFR 982.602–982.605.)

Social security number (SSN). The nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.
Special admission. Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.
Special housing types. See subpart M of part 982. Subpart M states the special regulatory requirements for: SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).
Specified welfare benefit reduction. Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.
Spouse. The marriage partner of the head of household.
Stalking. To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.
State wage information collection agency (SWICA). The state agency, including any Indian tribal agency, receiving quarterly wage reports from employers in the state, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.
Subsidy standards. Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.
Suspension. Stopping the clock on the term of a family's voucher after the family submits a request for tenancy approval. If the PHA decides to allow extensions or suspensions of the voucher term, the PHA administrative plan must describe how the PHA determines whether to grant extensions or suspensions, and how the PHA determines the length of any extension or suspension. This practice is also called *tolling.*
Tax credit rent. With regard to certain tax credit units, 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 (e.g., tenant-based voucher assistance).
Tenancy addendum. For the housing choice voucher program, the lease language required by HUD in the lease between the tenant and the owner.
Tenant. The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.
Tenant rent to owner. See *family rent to owner*.
Term of lease. The amount of time a tenant agrees in writing to live in a dwelling unit.
Total tenant payment (TTP). The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.
Unit. Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from zero (0) bedrooms to

six (6) bedrooms.
Utilities. Water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection, and sewage services. Telephone service is not included
Utility allowance. If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.
Utility reimbursement. In the voucher program, the portion of the housing assistance payment which exceeds the amount of rent to owner.
Utility hook-up charge. In a manufactured home space rental: Costs payable by a family for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.
Very low-income family. A low-income family whose annual income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50 percent of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the housing choice voucher program.

Veteran. A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.

Violence Against Women Reauthorization Act (VAWA) of 2013. Prohibits denying admission to the program to an otherwise qualified applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

Violent criminal activity. Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.
Voucher *(housing choice voucher).* A document issued by a PHA to a family selected for admission to the housing choice voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states obligations of the family under the program.
Voucher holder. A family holding a voucher with an unexpired term (search time).
Voucher program. The housing choice voucher program.

Waiting list. A list of families organized according to HUD regulations and PHA policy who are waiting for a unit to become available.
Waiting list admission. An admission from the PHA waiting list.
Welfare assistance. Income assistance from federal or state welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, child care or other services for working families. For the FSS program (984.103(b)), *welfare assistance* includes only cash maintenance payments from federal or state programs designed to meet a family's ongoing basic needs, but does not include food stamps, emergency rental and utilities assistance, SSI, SSDI, or social security.