HOUSING CHOICE VOUCHER PROGRAM

Administrative Plan

Equal Housing Opportunity

UPDATED JANUARY 12TH, 2026

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Chapter 1: Overview of the Program and Plan

Seattle Housing Authority (SHA) is a public housing agency (PHA) that receives its funding for the Housing Choice Voucher (HCV) program from the Department of Housing and Urban Development (HUD). SHA is not a federal department or agency. A PHA is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families. SHA enters into an Annual Contributions Contract (ACC) with HUD to administer the program requirements on behalf of HUD. SHA 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 SHA 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: Seattle Housing Authority (SHA). This part includes an overview of SHA, 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: Seattle Housing Authority (SHA)

1-I A.OVERVIEW

The Housing Choice Voucher (HCV) Program, formerly known as Section 8, was enacted as part of the Housing and Community Development Act of 1974 (the "Act"), which re-codified the U.S. Housing Act of 1937. The Act has been amended from time to time, and its requirements, as they apply to the Section 8 Tenant-Based Assistance Program, are described in and implemented throughout this Administrative Plan. The Housing Choice Voucher Program is federally funded and administered for the city of Seattle by the Housing Authority of the City of Seattle ("Seattle Housing Authority").

Seattle Housing Authority's jurisdiction is the City of Seattle.

Moving to Work Plan

In 1999, SHA executed a Moving to Work (MTW) Contract with HUD, providing it with broad authority to implement changes to the Housing Choice Voucher Program which will increase housing choice for families, increase family self-sufficiency and decrease the administrative cost of the program. SHA has used its MTW authority to consider and implement a variety of alternatives to HUD-required program features. Details regarding such MTW activities can be found in SHA's MTW Reports and Plans on the SHA website.

SHA is responsible for complying with all HUD regulations pertaining to the Housing Choice Voucher Program unless authority to establish alternative policies and procedures is conferred by the MTW Agreement and the Annual MTW Plan. The HCV Administrative Plan is a supporting document to SHA's Annual MTW Plan and is available for public review as required by 24 CFR 982.54(d) (21). Throughout the Administrative Plan, SHA has included MTW-specific policies relevant to the MTW population.

1-I B.ORGANIZATION AND STRUCTURE OF SHA

The Section 8 tenant-based Housing Choice Voucher (HCV) assistance program is funded by the federal government and administered by SHA within the jurisdictional limits of the City of Seattle.

The functions and activities of SHA are governed by a Board of Commissioners, all of whom are appointed by the Mayor of Seattle (RCW 35.82.040). The Mayor appoints each Commissioner to a five-year term. Since 1998, the law also directs that the Board shall include an individual who receives assistance from SHA's federal housing programs. Currently, SHA's board consists of seven members, including two individuals who receive assistance from SHA.

Commissioners serve in the same capacity as the directors of a corporation, establishing policies under which SHA conducts business, ensuring that policies are followed by SHA staff and ensuring that SHA 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 SHA are taken through written resolutions, adopted by the Board of Commissioners and entered into the official records of SHA.

SHA's Executive Director (ED), hired and appointed by the Board of Commissioners, oversees activities of the agency. The ED is directly responsible for carrying out the policies established by the Board and is delegated the responsibility for hiring, training and supervising SHA staff in order to manage the day-to-day operations of SHA. The ED is responsible for ensuring compliance with federal and state laws and directives for the programs managed. In addition, the ED's duties include budgeting and financial planning for the agency.

1-I C. SHA MISSION AND VALUES

Mission

Our mission is to enhance the Seattle community by creating and sustaining decent, safe and affordable living environments that foster stability and increase self-sufficiency for people with low incomes.

Values

As stewards of the public trust, we pursue our mission and responsibilities in a spirit of service, teamwork and respect. We embrace the values of excellence, collaboration, innovation and appreciation.

1-I D. SHA'S PROGRAMS

SHA Policy

SHA's Administrative Plan is applicable to the operation of the Housing Choice Voucher program.

In addition, the Administrative Plan addresses policies for the following special programs:

- Project-Based Vouchers
- Agency-Based Vouchers
- Special Purpose Vouchers
- Streamlined Low Income Housing Program (SLIHP)
- Single Room Occupancy Housing
- Leased Shared Housing

1-I E. SHA GUIDING PRINCIPLES

As a public service agency, the PHA is committed to providing excellent service to HCV program participants, owners, and to the community.

SHA Policy

SHA adopts a Strategic Plan every five years to reflect the current guiding principles or the organization.

Part II: The Housing Choice Voucher Program

1-II F. 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 reader to better understand 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 Housing Program (also known as the Section 8 Certificate program). The HCD Act represented a significant shift in federal housing strategy from locally owned public housing to privately owned rental housing.

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

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

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

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

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

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

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

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

On July 29, 2016, the Housing Opportunity Through Modernization Act of 2016 (HOTMA) was signed into law. HOTMA made numerous changes to statutes governing HUD programs, including sections of the United States Housing Act of 1937. Title I of HOTMA contains 14 different sections that impact the public housing and Section 8 programs. The Final Rule implementing broad changes to income and asset in Sections 102 and 104 of HOTMA, and for PHAs that administer the public housing program over-income provisions in Section 103, was officially published in the *Federal Register* on February 14, 2023. On September 29, 2023, HUD issued notice PIH 2023-27, which provided guidance to PHAs on the implementation of the program changes described in the Final Rule.

HCV Program Basics

The purpose of the Housing Choice Voucher (HCV) program is to provide rental assistance to eligible families. The rules and regulations of the HCV program are determined by the Department of Housing and Urban Development. SHA is afforded choices in the operation of the program which are included in this Administrative Plan, a document approved by SHA's Board of Commissioners.

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

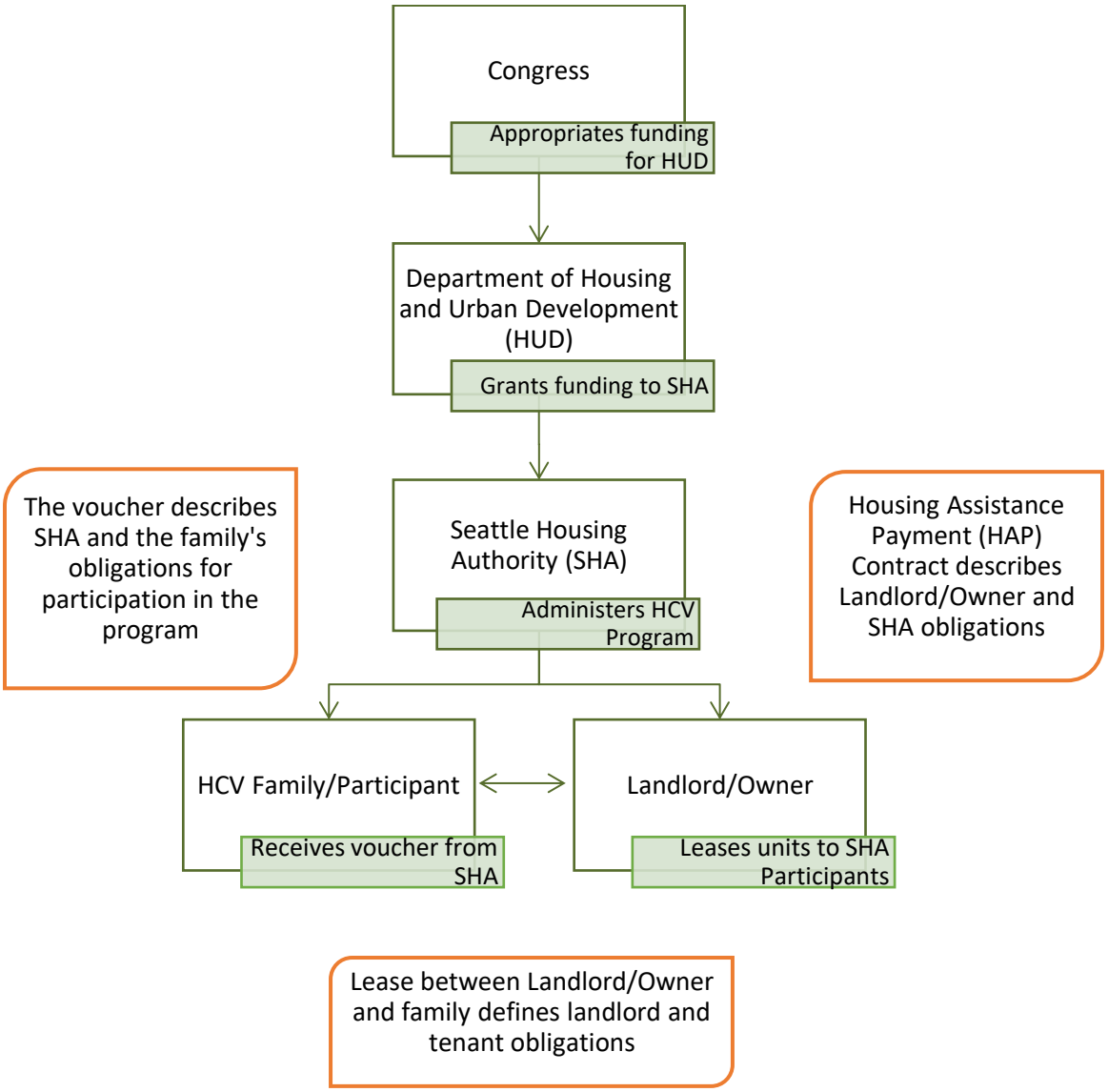
In general, when a family is determined to be eligible for the program and funding is available, SHA issues the family a housing voucher. When the family finds a suitable housing unit and funding is available, SHA will enter into a contract with the owner or landlord and the family will enter into a lease with the owner. Each party makes their respective payment to the owner so that the owner receives full rent. This process may vary for the special programs listed in 1-I.D.

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. SHA continues to make payments to the owner as long as the family is eligible and the housing unit continues to qualify under the program.1-II.C. HCV Partnerships

To administer the HCV program, SHA enters into a contractual relationship with HUD (called the Consolidated Annual Contributions Contract). SHA also enters into contractual relationships with the assisted family and the owner or landlord of the housing unit.

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

The chart below illustrates key aspects of these relationships.



What Does HUD Do?
HUD has the following major responsibilities:

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

What Does the PHA Do?
The PHA administers the HCV program under contract with HUD and has the following major responsibilities:

- Establish local policies to administer the program.
- Review applications from interested applicants to determine whether they are eligible for the program.

- Maintain a waiting list and select families for admission.
- Issue vouchers to eligible families and provide information on how to lease a unit.
- Conduct outreach to owners, with special attention to owners outside areas of poverty or minority concentration.
- Approve the rental unit (including assuring compliance with Housing Quality Standards and rent reasonableness), the owner, and the tenancy.
- Make housing assistance payments to the owner in a timely manner.
- Recertify families for continued eligibility under the program.
- Ensure that owners and families comply with their contractual obligations.
- Provide families and owners with prompt, professional service.
- Comply with all fair housing and equal opportunity requirements, HUD regulations and requirements, the Annual Contributions Contract, HUD-approved applications for funding, the PHA's Administrative Plan, and other applicable federal, state and local laws.

What Does the Owner Do?
The owner has the following major responsibilities:

- Screen families who apply for tenancy, to determine suitability as renters.
- The PHA 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 PHA;
- Comply with all applicable fair housing laws and do not discriminate against anyone;
- Maintain the housing unit in accordance with National Standards for the Physical Inspection of Real Estate (NSPIRE) and make 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:

- Provide the PHA with complete and accurate information as determined by the PHA to be necessary for administration of the program.
- Make their best and most timely efforts to locate qualified and suitable housing;
- Attend all appointments scheduled by the PHA.
- Allow the PHA to inspect the unit at reasonable times and after reasonable notice;
- Take responsibility for care of the housing unit, including any violations of Housing Quality Standards caused by the family.
- Comply with the terms of the lease with the owner.
- Comply with the family obligations of the voucher.
- Not commit serious or repeated violations of the lease.
- Not engage in drug-related or violent criminal activity.
- Notify the PHA and the owner before moving or terminating the lease.
- Use the assisted unit only for residence and as the sole residence of the family. Not sublet the unit, assign the lease, or have any interest in the unit.
- Promptly notify the PHA of any changes in family composition.
- Not commit fraud, bribery, or any other corrupt or criminal act in connection with any housing programs.

Part III: The HCV Administrative Plan

1-III A. OVERVIEW AND PURPOSE OF 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 SHA's agency plan. This Administrative Plan is a supporting document to the PHA agency plan (MTW Report) and is available for public review as required by CFR 24 Part 903.

This Administrative Plan is set forth to define SHA's local policies for operation of the housing programs in accordance with federal laws and regulations. All issues related to the HCV program not addressed in this document are governed by federal regulations, 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.

SHA 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 SHA staff shall be in compliance with the SHA's personnel policy and HUD regulations as well as all federal, state and local fair housing laws and regulations.

1-III B. MANDATORY VS. DISCRETIONARY POLICY

The HUD regulations at 24 CFR 982.54 define the policies that must be included in the Administrative Plan. They are as follow:

- Selection and admission of applicants from the PHA waiting list, including any PHA admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the PHA waiting list (Chapter 4).
- Issuing or denying vouchers, including PHA policy governing the voucher term and any extensions of the voucher term. If the PHA decides to allow extensions of the voucher term, the PHA Administrative Plan must describe how the PHA determines whether to grant extensions, and how the PHA determines the length of any extension (Chapter 5).
- Any special rules for use of available funds when HUD provides funding to the PHA for a special purpose (e.g., desegregation), including funding for specified families or a specified category of families (Chapter 4).
- Occupancy policies, including definition of what group of persons may qualify as a "family", definition of when a family is considered to be "continuously assisted"; standards for denying admission or terminating assistance based on criminal activity or alcohol abuse in accordance with 982.553 (Chapters 3 and 12).
- Encouraging participation by owners of suitable units located outside areas of low income or minority concentration (Chapter 13).
- Assisting a family that claims that illegal discrimination has prevented the family from leasing a suitable unit (Chapter 2).
- Providing information about a family to prospective owners (Chapters 3 and 9);
- Disapproval of owners (Chapter 13).
- Subsidy standards (Chapter 5).
- Family absence from the dwelling unit (Chapter 12).
- How to determine who remains in the program if a family breaks up (Chapter 3).
- Informal review procedures for applicants (Chapter 16).
- Informal hearing procedures for participants (Chapter 16).
- The process for establishing and revising voucher payment standards, including policies on administering decreases in the payment standard during the HAP contract term (Chapter 16).

- The method of determining that rent to owner is a reasonable rent (initially and during the term of a HAP contract) (Chapter 8).
- Special policies concerning special housing types in the program (e.g., use of shared housing) (Chapter 15).
- Policies concerning payment by a family to the PHA of amounts the family owes the PHA (Chapter 16).
- Interim redeterminations of family income and composition (Chapter 11).
- Restrictions, if any, on the number of moves by a participant family (Chapter 10)
- Approval by the board of commissioners or other authorized officials to charge the administrative fee reserve (Chapter 16).
- Procedural guidelines and performance standards for conducting required housing quality standards inspections (Chapter 8).
- PHA screening of applicants for family behavior or suitability for tenancy (Chapter 3).

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 it 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. UPDATING AND REVISING PLAN

The PHA 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.

SHA Policy

SHA will review the plan at least once a year and update as needed, to reflect changes in regulations, SHA operations or to ensure staff consistency in operation.

Chapter 2: Fair Housing and Equal Opportunity

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

Part I: Nondiscrimination. This part presents the body of laws and regulations governing the responsibilities of the PHA 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 persons with disabilities. These rules and policies are based on the Fair Housing Act (42.U.S.C.) and Section 504 of the Rehabilitation Act of 1973, and incorporate guidance from the Joint Statement of The Department of Housing and Urban Development and the Department of Justice (DOJ), issued May 17, 2004.

Part III: Prohibition of Discrimination Against Limited English Proficiency Persons. This part details the obligations of the PHA to ensure meaningful access to the HCV program and its activities by persons with limited English proficiency (LEP). This part incorporates the Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons published January 22, 2007, in the *Federal Register.*

Part I: Nondiscrimination

2-I A. OVERVIEW

Federal law requires Seattle Housing Authority to treat all applicants and participants equally, providing the same opportunity to access services regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status and disability. In addition, HUD regulations provide for additional protections regarding sexual orientation, gender identity, and marital status. Seattle Housing Authority complies 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 will also apply.

SHA Policy

To further its commitment to full compliance with applicable civil rights laws, SHA will provide information on federal, state and local regulations and ordinances to voucher holders regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act. The information will include the names of government offices which take complaints and perform investigations, including HUD's Office of Civil Rights and the City of Seattle's Office for Civil Rights. Such information will be made available during the family briefing session, and all applicable Fair Housing information and discrimination complaint forms will be made a part of the voucher holder's briefing packet and available upon request at SHA offices.

2-I B.NONDISCRIMINATION

Federal regulations prohibit discrimination against certain protected classes and other groups of people. State and local requirements, as well as PHA policies, can prohibit discrimination based on other factors.

The PHA shall not discriminate because of race, color, sex, gender identity, religion, creed, national or ethnic origin, age, familial or marital status, handicap or disability or sexual orientation.

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

The PHA will not discriminate on the basis of marital status, gender identity, or sexual orientation [FR Notice 02/03/12].

SHA Policy

SHA will not discriminate on the basis of any of the additional protected classes as defined by the City of Seattle.

The PHA will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the housing choice voucher program
- Provide housing that is different from that provided to others
- Subject anyone to segregation or disparate treatment
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program
- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or participant toward or away from a particular area based any of these factors
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of residential real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class

Providing Information to Families and Owners

The PHA must take steps to ensure that families and owners are fully aware of all applicable civil rights laws. As part of the briefing process, the PHA must provide information to HCV applicant families about civil rights requirements and the opportunity to rent in a broad range of neighborhoods [24 CFR 982.301].

The Housing Assistance Payments (HAP) contract informs owners of the requirement not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status or disability in connection with the contract.

Discrimination Complaints

If an applicant or participant believes that any family member has been discriminated against by The PHA or an owner, the family should advise the PHA. HUD requires the PHA 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, the PHA is required to provide the applicant or participant with information about how to file a discrimination complaint [24 CFR 982.304].

Applicants or participants who believe that they have been subject to unlawful discrimination may notify The PHA either orally (in person or over the phone) or in writing (by letter or email).

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

- Provide written notice of the complaint to those alleged and inform the complainant that such notice was made. The PHA will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing discrimination complaint form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).
- Investigate the allegations and provide the complainant and those alleged with findings and either a 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].

SHA Policy

Fair Housing Policy

Staff will receive training about the importance of Affirmatively Furthering Fair Housing and providing equal opportunity to all families. Fair housing posters are posted throughout SHA offices, including in the lobby and interview rooms, and the equal opportunity logo will be used on all outreach materials.

Whenever possible, HCV staff will attend local Fair housing update trainings sponsored by HUD and other local organizations to keep current with new developments.

From time to time, pilot projects and initiatives will be tested that benefit certain individuals or families. These pilots mostly enhance SHA's understanding of the impact of housing on the long-term stability of participants and overall improvement to their standard of living. Within the boundaries of the projects or initiatives, fair housing will be upheld. Potential initiatives may address the concentration of low-income populations in racially/ethnically-concentrated areas of poverty (R/ECAPs) by promoting mobility to higher opportunity areas. To address specific problems or inequities, The PHA may lawfully establish programs that provide targeted benefits to a particular group or class of people that are not provided to others. SHA supports all individuals and families exercising housing choice and accessing opportunity areas, as well as all protected classes under local and national fair housing mandates

Part II: Policies Related to Persons with Disabilities

2-II A. OVERVIEW

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

The PHA must ensure that persons with disabilities have full access to the PHA's programs and services. This responsibility begins with the first contact by an interested family and continues through every aspect of the program.

SHA Policy

Applicants and residents with disabilities reserve the right to request an accommodation at any time. SHA shall ask all applicants and participants in writing if they require any type of accommodation on the intake application, reexamination documents and notices of adverse action by SHA.

The PHA will display posters and other housing information and signage in locations throughout the PHA'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 accommodations 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, the PHA will modify normal procedures to accommodate the needs of a person with disabilities. Examples include:

- Permitting applications and reexaminations to be completed by mail
- Conducting home visits
- Using higher payment standards (either within the acceptable range or with HUD approval of a payment standard outside the PHA range) if the PHA determines this is necessary to enable a person with disabilities to obtain a suitable housing unit
- Providing time extensions for locating a unit when necessary because of lack of availability of accessible units or special challenges of the family in seeking a unit
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with PHA staff

2-II C. REQUEST FOR REASONABLE ACCOMMODATION

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

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

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

SHA Policy

Requests for accommodation may first be expressed as complaints. When presented with a complaint that a particular HCV feature or process is inaccessible to a person with a disability, SHA staff will ask the person complaining if they wish to request an accommodation.

SHA staff presented with a verbal request for an accommodation may either grant the request outright, if it is customary or relatively simple to do so (i.e., re-issue a letter in large type, or conduct a one-on-one application workshop at an SHA office) or shall invite the person requesting the accommodation to put the request in writing for further consideration and formal response. Staff shall provide assistance with the written request if asked to do so.

Copies of all requests for accommodation shall be kept in the applicant/participant file (electronic or physical); any health-related information will be redacted. Any physical and electronic copies of requests for accommodation along with supporting documentation will be safeguarded.

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 a reasonable accommodation is much broader than the HUD definition of disability which is used for waiting list preferences and income allowances.

Before providing an accommodation, the PHA 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 SHA's programs and services.

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

If a family indicates that an accommodation is required for a disability that is not obvious or otherwise known to the PHA, the PHA 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, SHA 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].
- The PHA must request only information that is necessary to evaluate the disability-related need for the accommodation. The PHA 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 the PHA does receive confidential information about a person's specific diagnosis, treatment or the nature or severity of the disability, the PHA will dispose of it in a secure manner. In place of the information, SHA 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 REASONABLE ACCOMMODATION

[Joint Statement Of The Departments Of HUD And Justice: Reasonable Accommodations Under The Fair Housing Act, Notice PIH 2010-26].

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

- The request was made by or on behalf of a person with a disability.
- There is a disability-related need for the accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on the PHA or fundamentally alter the nature of the

PHA'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 overall size of the PHA's program with respect to the number of employees, type of facilities and size of budget, type of operation including composition and structure of workforce, the nature and cost of the requested accommodation and the availability of alternative accommodations that would effectively meet the family's disability-related needs.

Before making a determination whether to approve the request, the PHA 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 SHA may verify the need for the requested accommodation.

SHA Policy

After a request for an accommodation is presented, the requestor will receive an initial response within 5 business days of receipt by the Disability Services Team. A determination will be made and sent to the requestor within 20 business days of all information being received. If a determination cannot be made within 20 business days, the requestor will be notified of the reason and the anticipated date of a response. SHA staff shall not deny a request for accommodation until the SHA ADA Committee has reviewed the request and made the decision to deny it.

If SHA denies a request for an accommodation because it is not reasonable (i.e., it will impose an undue financial and administrative burden or fundamentally alter the nature of SHA's operations), SHA 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.

SHA will provide a written decision to the person requesting the accommodation within 30 days of receipt of the individual's request for the accommodation. The written response shall include information on how to appeal the denial. If a person is denied the accommodation and/or feels that the alternate suggestions are inadequate, they may request an informal hearing to review SHA's decision by sending a request to the attention of SHA's Office of the General Counsel within 30 calendar days of the date of SHA's written response to their original request.

2-II F. PHYSICAL ACCESSIBILITY

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

- Notice PIH 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

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

- This plan describes the key policies that govern the PHA'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.

- The PHA Plan (MTW Report) provides information about self-evaluation, needs assessment and transition plans.

The design, construction or alteration of PHA 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.

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.

For more information about reasonable accommodation and reasonable modification policies for owners in Seattle, please see the City of Seattle website.

2-II G. DENIAL OR TERMINATION OF ASSISTANCE

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

When applicants with disabilities are denied assistance, the notice of denial must inform them of the PHA'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 review process.

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

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

Part III: Improving Access to Services for Persons with Limited English Proficiency (LEP)

2-III A. OVERVIEW

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

The PHA 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, participants and parents and family members of applicants and participants.

In order to determine the level of access needed by LEP persons, the PHA 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 the PHA and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the PHA.

2-III B. ORAL INTERPRETATION

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

SHA Policy

Interpretation is the act of simultaneously converting words spoken in one language into words in another language or reading written text in one language to a participant in their chosen language. The interpreter is the person who provides interpretation.

Upon request, SHA will provide a professional Interpreter, whether in person or through the Language Line, to interpret documents and correspondence originated by SHA that pertains to admissions and/or the receipt of housing assistance, except for in cases where a professional interpreter is not available in the chosen language.

During the meeting with the professional interpreter, the applicant or participant may request staff to be excused for a portion of the time in order to privately review the document.

For all other correspondence, SHA staff may choose to provide interpretive services from the following options:

- Language Line: This is an on-demand telephonic interpreter service that provides professional interpreter-quality service.
- Seattle Housing Authority employee: Upon mutual agreement of the applicant or participant and the employee, a Seattle Housing Authority employee may interpret. The applicant's or participant's privacy concerns should be taken into consideration before requesting staff assistance. Any information disclosed in this meeting will be subject to SHA's Confidentiality Policy in Chapter 16.
- Family members, other residents and friends: An applicant or participant may choose to have a family member or friend provide interpretation for informal communications.

2-III C. WRITTEN TRANSLATION

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

SHA Policy

The Director or designee, at their discretion, may authorize the translation of any official SHA document(s) when the translation is determined to be beneficial.

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 meets one or more of the following criteria:

- Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual.
- Has a record of such impairment.
- Is regarded as having such impairment.

The phrase "physical or mental impairment" includes:

- Any physiological disorder or condition, cosmetic or disfigurement or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine.
- 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" include, but are not limited to: caring for oneself, performing manual tasks, walking, seeing, hearing, breathing, learning and/or working.

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

"Is regarded as having an impairment" is defined as: having a physical or mental impairment that does not substantially limit one or more major life activities but is treated by a public entity (such as SHA) 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 as a result of the attitudes of others toward that impairment.

The definition of a person with disabilities does **not** include:

- Current illegal drug users.
- People whose alcohol use interferes with the rights of others.
- People 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 definitions 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 these qualifications 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

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

To be eligible for the HCV program:

- The applicant family must:
  - Qualify as a family as defined by HUD and the PHA.
  - 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 household members as required.
  - Consent to the PHA's collection and use of family information as provided for in PHA-provided consent forms.
- If debts are owed to the PHA or other Housing Authorities, the individual must have entered into a payment agreement with the PHA or the other PHA and be current on the payment agreement.

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

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

Part III: Denial of Assistance. This part covers factors related to an applicant's past or current conduct (e.g., criminal activity) that can cause the PHA 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 02/03/12; 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.
- The PHA has the discretion to determine if any other group of persons qualifies as a family.
- 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 each individual's income and other resources will be available to meet the needs of the family.

"Gender Identity" means a person's perception of having a particular gender, which may or may not correspond with their birth sex.

"Sexual Orientation" is a person's physical and/or emotional attraction to other people. Homosexual, heterosexual, and bisexual are some ways to describe sexual orientation.

SHA Policy

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

Multiple Families in the Same Household
Two families living together (such as a mother and father, and a married child with their spouse and/or children) may be treated as a single-family unit.

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

3-I C.FAMILY BREAKUP AND REMAINING MEMBER OF TENANT FAMILY

Family Breakup [24 CFR 982.315; Notice PIH 2017-08]
Except under the following conditions, the PHA 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, the PHA must ensure that the victim retains assistance. (For documentation requirements and policies related to domestic violence, dating violence, sexual assault, and stalking, see section 16-IX.D 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 members of the assisted family, the PHA is bound by the court's determination of which family members continue to receive assistance.

SHA Policy

Split Households While on the Waitlist
When a household on the waiting list splits into two eligible households for any reason, the household will be removed from the waitlist. If, within ten days of informing SHA that the household has divided, the households agree that one of the households should remain on the

waitlist, SHA will replace the household name on the waitlist with the name of the household designated to remain on the waitlist.

Split Households after Issuance and Before Lease-Up [24 CFR 982.315]
In those instances when a family assisted under the Housing Choice Voucher Program becomes divided into two eligible families for any reason, and the new families cannot agree as to which new family unit should continue to receive the assistance, the HCV Deputy Director shall consider the following factors to determine which of the families will continue to be assisted:

1. Which of the two new family units has custody of dependent children;
2. Which family member was the head of household when the voucher was initially issued (listed on the initial application);
3. The composition of the new family units, and which unit contains elderly or disabled members;
4. Whether domestic violence was involved in the breakup;
5. Which family members remain in the unit; and
6. Recommendations of social service professionals.

Documentation of these factors will be the responsibility of the requesting parties.

If documentation is not provided, SHA will terminate the Voucher on the basis of failure to provide information necessary for a determination of eligibility.

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 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 cohead or spouse.

SHA 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 cohead, but not both [HUD-50058 IB, p. 13].

"Spouse" means the marriage partner of the head of household.

SHA Policy

A marriage partner includes the partner in a common law marriage and same sex partners who reside in the same household. It does not include boyfriends, girlfriends, significant others, or co-heads of households.

A “cohead” is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead, and a co-head cannot be a dependent.

SHA Policy

Minors who are emancipated under state law may be designated as a cohead.

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

3-I F. DEPENDENT [24 CFR 5.603]

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

Joint Custody of Dependents

SHA Policy

Dependents that are subject to a joint custody agreement will be considered to be members of that parent’s household with whom they primarily reside (at least 51 percent of the time).

Families who claim primary custody in a joint custody or temporary guardianship arrangement will be required to certify, and provide supporting documentation to establish, that the child or children reside primarily with the applicant or resident. At a minimum, the child’s school records must show the child’s primary address to be the same as the applicant or resident.

When both parents are individually on the waiting list and both claim the child as a family member, the primary custodial parent, whose address is listed in the school records as the primary address for the child, will be allowed to claim the school-age child as a dependent for the purposes of claiming the dependent deduction and determining subsidy.

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

A “full-time student” (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because: (1) each family member that is an FTS, other than the head, spouse, or cohead, qualifies the family for a dependent allowance, and (2) the earned 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 02/03/12]

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 50-61 years of age.

Elderly Family

An “elderly family” is one in which the head of household, co-head of household or spouse is age 62 or older. Identifying elderly families is important because elderly families qualify for the elderly family allowance as described in Chapter 6.

Near-Elderly Family
A "near-elderly family" is one in which the head of household, co-head of household or spouse is between the ages of 50-61.

3-I I. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403, FR NOTICE 02/03/12]

Persons with Disabilities
Under the HCV program, special rules apply to persons with disabilities and to any family whose head, spouse, or cohead is a person with disabilities. The technical definitions of 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, the PHA 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 cohead is a person with disabilities. Identifying disabled families is important because these families qualify for the disabled family allowance as described in Chapter 6.

Even though persons with drug or alcohol dependencies are considered persons with disabilities, this does not prevent the PHA from denying assistance for reasons related to alcohol and drug abuse in accordance with the policies found in Part III of this chapter, or from terminating assistance in accordance with 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 expressed or implied authority to so consent.

SHA Policy

Any adult not included on HUD Form 50058 who has been in the unit more than 30 consecutive days without SHA approval, or a total of 90 days in a 12-month period, will be considered to be living in the unit as an unauthorized household member.

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). The requests will be considered on a case-by-case basis.

Absence of evidence of any other address may be considered verification that the visitor is a member of the household.

Statements from neighbors and/or the landlord will be considered in making the determination.

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.

The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the household and SHA may terminate assistance, since prior approval was not requested for the addition.

Minors and college students who were part of the family but who now live away from home during the school year and are no longer on the lease may visit for less than 180 days per year without being considered a member of the household.

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

Guest policies in the family's lease are separate and distinct from the requirements contained in this Plan.

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].

Foster children and foster adults who are living with an applicant or who have been approved by the PHA to live with a participant 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; HUD-50058 IB, p. 13].

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

SHA Policy

"Temporarily absent" is defined as away from the unit for less than 60 days for the head of household and less than 180 days for all other household members. Absence of the head of household of a single person household is considered Absence of Entire Family. An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member. 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.

SHA must compute all applicable income of every family member, including those who are temporarily absent.

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

It is the responsibility of the head of household to report changes in family composition. SHA will evaluate absences from the unit using this policy. (24 CFR 982.551(h)(7)(I)).

Exceptions to this general policy are discussed below.

Absent Students

SHA 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 PHA indicating that the student has established a separate household, or the family declares that the student has established a separate household.

Absence of Children 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.

SHA Policy

If a child has been placed in foster care, SHA will verify with the appropriate agency whether and when the child is expected to be returned to the home.

If the time period is to be greater than 12 months from the date of removal of the child/children, the child will be removed from the household. If all children are removed from the home permanently, the voucher size will be reduced in accordance with SHA's subsidy standards.

Absence Due to Medical Reasons

SHA Policy

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, SHA will request verification of the family member's permanent absence from a responsible medical professional. If the verification indicates that the family member will return in less than 180 consecutive days, the family member will not be considered permanently absent. If no determinations can be made, the person will be considered temporarily absent. If the verification indicates that the family member will be permanently confined to a nursing home or hospital, the family member will be considered permanently absent.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with SHA's "Absence of Entire Family" policy.

Absence of Entire Family

SHA Policy

These policy guidelines address situations when the family is absent from the unit but has not moved out of the unit. In cases where the family has moved out of the unit, SHA will terminate assistance in accordance with appropriate termination procedures contained in this Plan.

Families are required both to notify SHA before they move out of a unit and to give SHA information about any family absence from the unit.

If the entire family is absent from the assisted unit for more than 60 consecutive days or if SHA otherwise determines that the unit has been vacated or abandoned, the unit will be considered to be vacated and the assistance will be terminated.

*"*Absent*"* means that no family member is residing in the unit.

In order to determine if the family is absent from the unit, SHA may investigate the situation by taking action, including but not limited to the following:

1. Write letters to the family at the unit;
2. Telephone the family at the unit;
3. Interview neighbors;
4. Verify if utilities are in service; and
5. Check with the post office.

A person with a disability may request an extension of time as an accommodation..

A family displaced by unsafe conditions in the unit may be absent longer than 60 days, but not longer than the HUD-allowed 180 consecutive calendar days, with prior notice to and approval by SHA.

Return of Permanently Absent Family Members

SHA Policy

The family must request SHA approval for the return of any adult family members that SHA previously 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

A *live-in aide* is 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 [24 CFR 5.403].

The PHA 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.

The income of a live-in aide is not counted in the calculation of annual income for the family [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. Because live-in aides are not *family* members, a relative who serves as a live-in aide would not be considered a remaining member of a tenant family.

SHA Policy

Additionally, the following requirements apply to Live-In Aides (Notice PIH 2009-22):

1. SHA may not approve an unidentified live-in aide, nor a larger unit than the family qualifies for under the SHA's subsidy standards for an unidentified live-in aide. An additional bedroom for a live-in aide will not be allocated for a family unless a specific person has been approved by SHA.
2. Occasional, intermittent, multiple or rotating care givers typically do not reside in the unit and would not qualify as live-in aides.
3. SHA may not approve a live-in aide if that person does not keep the subsidized unit as their primary residence.
4. If the proposed live-in aide is a relative, the Housing Authority shall determine the likelihood that the requested individual would reside in the household if they were not providing care. In addition, a Live-in-Aide must: reside with the household for the purpose of providing care to the voucher holder; provide documentation from a health care professional that they are qualified to provide the support needed; maintain the voucher holder's address as their primary residence; and have no record of criminal activity that would cause the denial of an application if the live-in aide applied for housing assistance on their own behalf.

A live-in aide is treated differently than family members, in that:

1. Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits;
2. Live-in aides are not subject to Non-Citizen Rule requirements; and
3. Live-in aides may not be considered a remaining member of the household should the voucher holder leave the HCV program for any reason.

SHA may approve an additional bedroom for a live-in aide if needed as an accommodation to make the program accessible to and available to a voucher holder with a disability. Approval of an additional bedroom for a live-in aide for reasonable accommodation will be in accordance with the reasonable accommodations section in Chapter 2 of this Administrative Plan.

SHA may refuse to approve a person as a live-in aide or may withdraw such approval if:

1. The person commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;

2. The person participates in drug-related criminal activity or violent criminal activity, or is a sex offender currently subject to a lifetime registration requirement; or
3. The person currently owes rent or other amounts to SHA or to another public housing authority in connection with Housing Choice Voucher Program or the Low Income Public Housing Program. At the discretion of SHA, approval may be given if the person pays off the amount owed or enters into a repayment agreement with the creditor housing authority. SHA reserves the right to deny assistance at any time in the future if the live-in aide does not comply with the terms of the repayment agreement.

SHA shall conduct a criminal background check for proposed live-in aides and shall withhold approval if the review of criminal history discloses a record of activity that would cause denial of an application if the live-in aide applied for housing assistance on their own behalf.

3-I N. DISPLACED FAMILY

SHA Policy

Displaced family is an individual or family who moves from their home as a direct result of acquisition, demolition or rehabilitation for a federally funded project.

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 the federal poverty level or 30 percent of the median income for the area, whichever number is higher.
- Area median income is determined by HUD, with adjustments for smaller and larger families. 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. Income eligibility is determined by comparing the annual income of an applicant to the applicable income limit for their family size. In order to be income eligible, an applicant family must be one of the following:

- A "very low-income family"
- A "low-income family" that has been "continuously assisted" under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the HCV program [24 CFR 982.4; 24 CFR 982.201(b)]

SHA Policy

The PHA 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 selected from the PHA's waiting list.

- A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173
- A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101

HUD permits the PHA to establish additional categories of low-income families that may be determined eligible.

SHA Policy

SHA 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 the PHA's program during a PHA fiscal year must be extremely low-income families. HUD may approve exceptions to this requirement if the PHA 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 counted for income targeting purposes.

Income Limits for Families Exercising Portability

SHA Policy

Families who are approved to port-in to SHA's Housing Choice Voucher Program must be within the applicable income limit for SHA's program if leasing up for the first time. That is, the applicant's gross annual income cannot exceed 50 percent of the area median income, which is the "very low income" limit.

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

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with the PHA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

Declaration [24 CFR 5.508]

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

U.S. Citizens and Nationals
In general, citizens and nationals are required to submit only a signed declaration as verification of their status. However, HUD regulations permit the PHA to request additional documentation of their status, such as a passport.

SHA Policy

Family members who declare citizenship or national status will not be required to provide additional documentation unless SHA 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 PHA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

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

Ineligible Noncitizens
Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a noncontending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. The PHA 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)]
A PHA 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 the PHA that the individual or at least one family member is eligible. Verification of eligibility for this purpose occurs when the individual or family members have submitted documentation to the PHA in accordance with program requirements [24 CFR 5.512(a)].

SHA Policy

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

within 10 business days of the determination. The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with SHA. The informal hearing with SHA 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.

Non-Citizen Students

SHA Policy

A "non-citizen student" is any alien who:

1. Has a residence in a foreign country that they intend to maintain;
2. Is a bona fide student qualified to pursue a full course of study; and
3. Is admitted to the United States temporarily and solely for purposes of pursuing such course of study at an established institution of learning or other recognized place of study in the United States, particularly designated by such alien and approved by the Attorney General as provided in 42 U.S.C. 1436a(c)(2).

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

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

If an individual qualifies for a time extension for the submission of required documents, the PHA 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.

SHA Policy

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

3-II C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 AND 5.218, NOTICE PIH 2012-10]

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. Such documentation must be provided and verified prior to admission. 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. A detailed discussion of acceptable documentation is provided in Chapter 7. 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.

The PHA must deny assistance to an applicant family if they do not meet the SSN disclosure and documentation 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]

For some programs, HUD requires each adult family member, and the head of household, spouse, or cohead, regardless of age, to sign form HUD-9886, Authorization for the Release of Information/Privacy Act Notice, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements.

The 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)].

SHA Policy

Applicants who wish to have case-managers, advocates or other intermediaries act on their behalf must sign a release of information authorizing SHA staff to discuss their application information with the intermediary.

3-II E. TRANSLATORS AND ADVOCATES

SHA Policy

HCV staff may assume that translators and advocates, including adult family members, who accompany applicants and participants in person, have the applicants' or participants' permission to witness confidential conversations and documents.

SHA staff may assume that translators and advocates who telephone on behalf of an applicant or participant and represent that the applicant or participant is there with them at the time of the telephone call, have the applicants' or participants' permission to conduct the conversation.

Staff shall exercise caution in conducting such conversations on the telephone, and may request additional personal identifiers from the caller to verify that they are in fact present in the room with the applicant or participant, or refrain from disclosing highly sensitive information (e.g., denial based on a criminal record, or response to a request for an accommodation based on the presence of a disability), offering instead to send a letter with the requested information to the applicant or participant directly.

SHA staff shall not discuss personal information about an applicant or participant with an advocate or family member when the applicant or participant is not present, without a written, signed and dated request by the applicant or participant giving SHA permission to do so. The written request shall identify the specific persons or agency with whom the personal information may be discussed.

SHA staff shall exercise caution in conducting personal conversations on the telephone with advocates, and may take such steps as are reasonably necessary to confirm the identity of the advocate.

3-II F. RESPONDING TO REQUESTS FOR STATUS UPDATES

SHA Policy

SHA staff will take reasonable precautions to safeguard the personal information of applicants and participants, without creating barriers that make it more difficult for applicants and participants to communicate with HCV.

Individuals who visit SHA in person on their own behalf will be presumed to be who they say they are if they can provide personal identification.

Personal identification will be required of any walk-in visitor who is requesting information relevant to any HCV application or participating household to confirm they are a legitimate concerned party. Individuals must be able to show positive identification of who they are representing themselves to be (participant, landlord, or service provider with release of information on record) before SHA staff will acknowledge status of any program participation or share any information (verbally, electronically, or in written documentation).

Acceptable forms of personal identification include the following:

1. State driver's license;
2. State-issued picture identification;
3. Photo identification bank card with signature on back; and
4. Other photo identification of official entity such as a school or business.

Individuals who call SHA to request status updates will be presumed to be who they say they are if they can provide an address, birth date, and/or Social Security Number that matches the information in SHA's records.

3-II G. STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION [24 CFR 5.612, FR NOTICE 4/10/06, FR NOTICE 9/21/16]

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

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

The new law does not apply to students who reside with parents who are applying to receive HCV assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

Definitions

In determining whether and how the new eligibility restrictions apply to a student, the PHA will rely on the following definitions [FR Notice 4/10/06, FR Notice 9/21/16].

Dependent Child

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

Independent Student

SHA Policy

SHA will consider a student "*independent*" from their parents and the parents' income will not be considered when determining the student's eligibility if the following four criteria are all met:

1. The individual is of legal contract age under state law.

2. The individual has established a household separate from their parents for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education's definition of independent student.
   To be considered an independent student according to the Department of Education, a student must meet one or more of the following criteria:
   - The individual is at least 24 years old by December 31 of the award year for which aid is sought
   - 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 is a veteran of the U.S. Armed Forces or is currently serving on active duty in the Armed Forces for other than training purposes
   - The individual is a graduate or professional student
   - The individual is married
   - The individual has one or more legal dependents other than a spouse (for example, dependent children or an elderly dependent parent)
   - 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 liaison
     - 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
   - The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances
3. The individual was not claimed as a dependent by their parents pursuant to IRS regulations, as demonstrated on the parents' most recent tax forms.
4. The individual provides a certification of the amount of financial assistance that will be provided by their parents. This certification must be signed by the individual providing the support and must be submitted even if no assistance is being provided.

Institution of Higher Education
The PHA will use the statutory definition under section 102 of the Higher Education Act of 1965 to determine whether a student is attending an *"*institution of higher education*"* (see Exhibit 3-2).

Parents

SHA Policy

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

Person with Disabilities
The PHA 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

SHA 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

If SHA determines that an individual meets the definition of a "*vulnerable youth*" such a determination is all that is necessary to determine that the person is an "*independent student*" for the purposes of using only the student's income for determining eligibility for assistance.

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

Determining Student Eligibility

If a student is applying for assistance on their own, apart from their parents, the PHA must determine whether the student is subject to the eligibility restrictions contained in 24 CFR 5.612. If the student is subject to those restrictions, the PHA must ensure that: (1) the student is individually eligible for the program, (2) either the student is independent from their 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.

SHA Policy

For any student who is subject to the 5.612 restrictions, SHA will:

1. Follow its usual policies in determining whether the student individually and the student's "*family*" collectively are eligible for the program
2. Determine whether the student is independent from their parents in accordance with the definition of "*independent student*" in this section
3. Follow the policies below, if applicable, in determining whether the student's parents are income eligible for the program
4. If SHA determines that the student, the student's parents (if applicable), or the student's "*family*" is not eligible, SHA 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

SHA Policy

For any student who is subject to the 5.612 restrictions and who does not satisfy the definition of "*independent student*" in this section, SHA will determine the income eligibility of the student's parents as follows:

- If the student's parents are married and living together, SHA will obtain a joint income declaration and certification of joint income from the parents.
- If the student's parent is widowed or single, SHA will obtain an income declaration and certification of income from that parent.
- If the student's parents are divorced or separated, SHA will obtain an income declaration and certification of income from each parent.
- If the student has been living with one of their parents and has not had contact with or does not know where to contact their other parent, SHA will require the student to submit a certification under penalty of perjury describing the circumstances and stating that the student does not receive financial assistance from the other parent. SHA will then obtain an income declaration and certification of income from the parent with whom the student has been living or had contact.
- In determining the income eligibility of the student's parents, SHA will use the income limits for the jurisdiction in which the parents live.

3-II H. EIV SYSTEM SEARCHES [NOTICE PIH 2018-18; EIV FAQS; EIV SYSTEM TRAINING 9/30/20]

Existing Tenant Search

Prior to admission to the program, the PHA must search for all household members using the EIV Existing Tenant Search module. The PHA must review the reports for any SSA matches involving another PHA or a multifamily entity and follow up on any issues identified. The PHA must provide the family with a copy of the Existing Tenant Search results if requested. At no time may any family member receive duplicative assistance.

If the tenant is a new admission to the PHA, and a match is identified at a multifamily property, the PHA must report the program admission date to the multifamily property and document the notification in the tenant file. The family must provide documentation of move-out from the assisted unit, as applicable.

SHA Policy

SHA will contact the PHA or owner identified in the report to confirm that the family has moved out of the unit and obtain documentation of current tenancy status, including a form HUD-50058 or 50059, as applicable, showing an end of participation. SHA will only approve assistance contingent upon the move-out from the currently occupied assisted unit.

Debts Owed to PHAs and Terminations

All adult household members must sign the form HUD-52675 Debts Owed to Public Housing and Terminations. Prior to admission to the program, the PHA must search for each adult family member in the Debts Owed to PHAs and Terminations module.

If a current or former tenant disputes the information in the module, the tenant should contact the PHA directly in writing to dispute the information and provide any documentation that supports the dispute. If the PHA determines that the disputed information is incorrect, the PHA will update or delete the record from EIV. Former tenants may dispute debt and termination information for a period of up to three years from the end of participation date in the program.

SHA Policy

SHA will require each adult household member to sign the form HUD-52675 once at the eligibility determination. Any new members added to the household after admission and any minor members who become adults while a part of the household will be required to sign the form HUD-52675 prior to being added to the household.

SHA will search the Debts Owed to PHAs and Terminations module as part of the eligibility determination for new households and as part of the screening process for any household members added after the household is admitted to the program. If any information on debts or terminations is returned by the search, the PHA will determine if this information warrants a denial in accordance with the policies in Part III of this chapter.

Income and Income Validation Tool (IVT) Reports

For each new admission, the PHA is required to review the EIV Income and IVT Reports to confirm and validate family reported income within 120 days of the IMS/PIC submission date of the new admission. The PHA must print and maintain copies of the EIV Income and IVT reports in the tenant file and resolve any discrepancies with the family within 60 days of the EIV Income or IVT report dates.

Part III: Denial of Assistance

3-III A. OVERVIEW

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance. In this section we will discuss other situations and circumstances in which denial of assistance is mandatory for the PHA, and those in which denial of assistance is optional for the PHA.

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

Denial of assistance includes any of the following:

- Not placing the family's name on the waiting list
- Denying or withdrawing a voucher
- Not approving a request for tenancy or refusing to enter into a HAP contract
- Refusing to process a request for or to provide assistance under portability procedures

Prohibited Reasons for Denial of Program Assistance [24 CFR 982.202(b), 24 CFR 5.2005(b)]

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

- Age, disability, race, color, religion, sex, or national origin (See Chapter 2 for additional information about fair housing and equal opportunity requirements.)
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside the PHA's jurisdiction under portability. (See Chapter 10.)

- 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 (See section 3-III.G.)

3-III B. MANDATORY DENIAL OF ASSISTANCE

HUD requires the PHA to deny assistance in the following cases:

a) Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity. HUD permits, but does not require, the PHA to admit an otherwise-eligible family if the household member has completed a PHA-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).

SHA Policy

SHA may consider whether such household member has successfully completed a supervised drug or alcohol rehabilitation program. For this purpose, SHA may require evidence of the household member's successful completion of a supervised drug or alcohol rehabilitation program.

SHA may also admit the household if it determines that the circumstances leading to the eviction no longer exist (for example, the criminal household member has died or is imprisoned).

b) The PHA determines that any household member is currently engaged in the use of illegal drugs.

c) The PHA 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.

SHA Policy

In determining reasonable cause, SHA will consider all credible evidence, including but not limited to, any record of convictions or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A conviction will be given more weight than an arrest. SHA will also consider evidence from treatment providers or community-based organizations providing services to household members.

A waiver of this may be granted if the family can demonstrate to the Housing Authority's satisfaction that the family member is no longer engaging in abuse of alcohol and:

i. Has successfully completed a supervised alcohol treatment program;
ii. Has otherwise been treatment successfully; or
iii. Is participating in a supervised alcohol treatment program.

d) 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

e) Any household member is subject to a lifetime registration requirement under a state sex offender registration program

SHA Policy

SHA shall further deny admission to sex offenders convicted in Washington State of a Class A felony and whose registration requirement shall therefore continue indefinitely pursuant to RCW 9A.44.140.

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

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

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

PHAs are not permitted to deny assistance to a family because the family previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program [24 CFR 984.101(d)].

SHA Policy

SHA may deny admission to a family if any family member:

- The family does not provide information that SHA or HUD determines is necessary in the administration of the program.
- The family does not provide complete and true information to SHA.
- Has been previously assisted under the program and was terminated for violating any family obligation in the last 5 years;
- Any family member has been evicted from federally assisted housing for any reason in the last 5 years;
- Any family member has ever 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.
- If the family has not reimbursed any PHA in full for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, unless the family repays the full amount of the debt prior to being selected from the waiting list.

  When denying admission due to family debts as shown in HUD's EIV system, the SHA will provide the family with a copy of the EIV Debt Owed to PHA and Termination report.

  If the family wishes to dispute the information in the report, the family must contact the PHA that entered the information in EIV in writing, explaining why EIV information is disputed. The family must also provide a copy of the letter and all applicable verification to SHA to support the family's claim. SHA will consider the information provided by the family prior to issuing a notice of denial.

- The family has breached the terms of a repayment agreement entered into with SHA, 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 ever engaged in or threatened abusive or violent behavior toward SHA or other housing authority personnel.

"*Abusive or violent behavior*" 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.

3-III D. SCREENING

Screening for Eligibility

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

SHA Policy

SHA shall screen applicants for satisfaction of the program admission criteria only. SHA does not screen for applicant or family behavior not related to participant history requirements.

PHAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 982.553(a)(2)(i)].

If the PHA proposes to deny assistance based on a criminal record or on lifetime sex offender registration information, the PHA 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]

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

SHA Policy

SHA does not screen for suitability for tenancy. Screening for suitability is the property owner's responsibility. SHA has no responsibility for the family's behavior or conduct as tenants and has no liability to property owners or others for the acts of Housing Choice Voucher Program tenants.

The owner is responsible for the screening and selection of any family that will occupy the owner's unit. Before approving a tenancy, the PHA will inform the owner that screening and selection for tenancy is the owner's responsibility.

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

HUD requires the PHA to provide prospective owners with the family's current and prior address (as shown in PHA records) and the name and address (if known) of the owner at the family's current and prior addresses. HUD permits the PHA 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.

The PHA may not disclose to the owner any confidential information provided to the PHA by the family in response to a PHA 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)].

SHA Policy

SHA 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. SHA will not provide any additional information to the owner, such as tenancy history or criminal history, etc.

3-III E. CRITERIA FOR DECIDING TO DENY ASSISTANCE

Evidence [24 CFR 982.553(c)]

SHA Policy

SHA 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.

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

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

HUD authorizes the PHA 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 mandatory (see Section 3-III.B).

SHA Policy

In determining whether to deny or terminate assistance because of a family member's action or failure to act, SHA may consider all relevant circumstances such as the seriousness of the act or failure, the extent of participation or culpability of family members, mitigating circumstances related to the disability of a family member, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure to act.

While a record of arrest(s) will not be used as the basis for denial, an arrest may, however, trigger an investigation to determine whether the applicant actually engaged in disqualifying criminal activity. As part of its investigation, the PHA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The PHA may also consider:

- Any statements made by witnesses or the applicant not included in the police report
- Whether criminal charges were filed
- Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal
- Any other evidence relevant to determining whether or not the applicant engaged in disqualifying activity

Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property.

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

- The PHA 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
Should the PHA's screening process reveal that an applicant's household includes an individual subject to state lifetime registered sex offender registration, the PHA 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, the PHA must deny admission to the family [Notice PIH 2012-28].

For other criminal activity, the PHA may permit the family to exclude the culpable family members as a condition of eligibility. [24 CFR 982.552(c)(2)(ii)].

SHA 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, stay as a guest, or reside in the assisted unit.

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

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]
If the family includes a person with disabilities, the PHA decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

SHA Policy

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, SHA will determine whether the behavior is related to the stated disability. If so, upon the family's request, SHA will determine whether admitting the family as a reasonable accommodation is appropriate. SHA 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.

Screening for Families Exercising Portability

SHA Policy

SHA shall use the HUD-required denials, SHA participant history requirements, and criminal history requirements described above to screen families seeking to port-in to SHA's Housing Choice Voucher program.

3-III F.NOTICE OF ELIGIBILITY OR DENIAL

If the family is eligible for assistance, the PHA will notify the family in writing and schedule a tenant briefing, as discussed in Chapter 5. If the PHA 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.

Notice of Denial/Procedure for Requesting Informal Review

SHA Policy

When SHA determines that an applicant is ineligible, the applicant must be notified of the decision in writing. The notice must state:

1. The reason(s) for ineligibility;
2. A statement that the applicant may request an informal review if they disagree with the
3. decision;

4. The procedure for requesting a review if the applicant does not agree with the decision; and
5. The deadline for requesting a review.

If a PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the PHA can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)]. The PHA 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)].

SHA Policy

If SHA obtains criminal record information from a State or local agency showing that a household member has been convicted of a crime relevant to applicant screening, SHA will notify the household of the proposed action to be based on the information and will provide the subject of the record and the applicant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information. This opportunity will be provided before a denial of admission on the basis of such information (24 CFR 5.903(f)).

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

The Violence against Women Act of 2013 (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibit PHAs from denying an applicant admission to the HCV program on the basis or as a direct result of the fact 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.

Definitions of key terms used in VAWA are provided in section 16-IX of this plan, where general VAWA requirements and policies pertaining to notification, documentation, and confidentiality are also located.

Notification

VAWA 2013 expanded notification requirements to include the obligation for PHAs to provide applicants who are denied assistance with a VAWA Notice of Occupancy Rights (form HUD–5380) and a domestic violence certification form (HUD-5382) at the time the applicant is denied.

SHA Policy

SHA acknowledges that a victim of domestic violence, dating violence, sexual assault, or stalking may have an unfavorable history (e.g., a poor credit history, poor rental history, a record of previous damage to an apartment, a prior arrest record) due to adverse factors that would warrant denial under SHA's policies.

While SHA is not required to identify whether adverse factors that resulted in the applicant's denial are a result of domestic violence, dating violence, sexual assault, or stalking, the applicant may inform SHA that their status as a victim is directly related to the grounds for the denial. SHA will request that the applicant provide enough information to SHA to allow SHA to make an objectively reasonable determination, based on all circumstances, whether the adverse factor is a direct result of their status as a victim.

SHA will include in its notice of denial the VAWA information described in section 16-IX.C of this plan as well as including a copy of the form HUD-5382. SHA will request in writing that an applicant wishing to claim protection under VAWA notify SHA within 14 business days.

Victim Documentation [24 CFR 5.2007]

SHA Policy

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

If an applicant would like an exception to policy based on VAWA status that request must be made in writing.

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 or is perceived to have any of the following types of conditions:

- Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:

Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; *or*

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

- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.15002(8)], which defines developmental disability in functional terms as follows:

(A) In General

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

(i) is attributable to a mental or physical impairment or combination of mental and physical impairments;
(ii) is manifested before the individual attains age 22;
(iii) is likely to continue indefinitely;
(iv) results in substantial functional limitations in 3 or more of the following areas of major life activity: (I) Self-care, (II) Receptive and expressive language, (III) Learning, (IV) Mobility, (V) Self-direction, (VI) Capacity for independent living, (VII) Economic self-sufficiency; and
(v) reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that 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) if 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 their ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

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

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

Medical Marijuana Use

Any applicant being considered for admission who, at the time, is using any “controlled substance,” including marijuana, will not be admitted to the Program. The participation of any SHA Voucher holder who uses any “controlled substance,” including marijuana, on or off SHA premises, may be terminated from the Program. Participants who use marijuana* in compliance with the state Medical Marijuana Act will, as an accommodation of their disability, not be terminated from the Program, provided that they submit a request for a reasonable accommodation which is approved by the SHA ADA-504 Committee in accordance with SHA’s HCV Administrative Plan.

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

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

Definition of ''Institution of Higher Education'' From 20 U.S.C. 1001

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

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

(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 preaccreditation status by such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.

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

(1) Any school that provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of paragraphs (1), (2), (4), and (5) of subsection (a) of this section; and

(2) A public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (a)(1) of this section, admits as regular students 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 additional institutions. Subject to paragraphs (2) through (4) of this subsection, the term ''institution of higher education'' for purposes of subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 includes, in addition to the institutions covered by the definition in section 1001 of this title—

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

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

(C) Only for the purposes of part 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 institutions 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 others) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part 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 that shall—

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

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

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

(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, except that the Secretary, at the request of such institution, may waive the applicability of this subparagraph to such institution for good cause, as determined by the Secretary in the case of an institution of higher education that provides a 2-or 4-year program of instruction (or both) for which the institution awards an associate or baccalaureate degree, respectively;

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

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

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

(A) The institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy, except that this paragraph shall not apply to a nonprofit institution, the primary function of which is to provide health care educational

services (or an affiliate of such an institution that has the power, by contract or ownership interest, to direct or cause the direction of the institution's management or policies) that files for bankruptcy under chapter 11 of title 11 between July 1, 1998, and December 1, 1998; or

(B) The institution, the institution's owner, or the institution's chief executive officer has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, or has been judicially determined to have committed fraud involving funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42.

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

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

(b) Proprietary institution of higher education

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

(A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

(B) Meets the requirements of paragraphs (1) and (2) of section 1001 (a) of this title;

(C) Does not meet the requirement of paragraph (4) of section 1001 (a) of this title;

(D) Is accredited by a nationally recognized accrediting agency or association recognized by the Secretary pursuant to part G of subchapter IV of this chapter;

(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, admits 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 students for gainful employment in a recognized occupation;

(B) Meets the requirements of paragraphs (1), (2), (4), and (5) of section 1001 (a) of this title; and

(C) Has been in existence for at least 2 years.

(2) Additional institutions. The term ‘‘postsecondary vocational institution’’ also includes an educational institution in any State that, in lieu of the requirement in 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 Lists, and Tenant Selection

When a family wishes to receive assistance under the HCV program, the family must submit an application that provides the PHA with the information needed to determine the family's eligibility. HUD requires the PHA to place all families that apply for assistance on a waiting list. When HCV assistance becomes available, the PHA must select families from the waiting list in accordance with HUD requirements and PHA policies as stated in the administrative plan and the annual MTW plan.

The PHA is required to adopt clear policies and procedures for accepting applications, placing families on the waiting list, and selecting families from the waiting list, and must follow these policies and procedures consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the PHA that justify their selection. Examples of this are the selection of families for income targeting and the selection of families that qualify for targeted funding.

HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that the PHA 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 the PHA policies for taking applications, managing the waiting list and selecting families for HCV assistance.

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 SHA will handle the applications it receives.

Part II: Managing the Waiting List. This part presents the policies that govern how SHA'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 SHA will use to keep the waiting list current.

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

Part I: The Application Process

4-I A. OVERVIEW

This part describes PHA policies for making applications available, accepting applications, making preliminary determinations of eligibility, and the placement of applicants on the waiting list. This part also describes the PHA'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, NOTICE PIH 2009-36]

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits the PHA 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 the PHA.

SHA Policy

Under the two-step application process, SHA 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.

Application materials are available online. Families may obtain application forms from the SHA office during normal business hours. Families may also request – by telephone, email, or by mail – that an application be mailed to them via first class mail.

Application materials may be submitted online by following the application instructions. Completed applications may also be returned to SHA by mail, by fax, or submitted in person. Applications must be complete in order to be accepted by SHA for processing. If an application is incomplete, SHA 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]

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

Limited English Proficiency

PHAs are required to take reasonable steps to ensure equal access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on the PHA's policies related to ensuring access to people with limited English proficiency (LEP).

4-I D. PLACEMENT ON THE WAITING LIST

The PHA must review each complete application received and make a preliminary assessment of the family's eligibility. The PHA 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 determined to be ineligible, the PHA 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

SHA Policy

If the family is determined to be ineligible based on the information provided in the pre-application, SHA will notify the family in writing, state the reason(s), and inform them of their right to an informal review, as described in Chapter 16. SHA does not allow alterations to the application once a determination is made on the application.

Eligible for Placement on the Waiting List

SHA Policy

SHA will send written notification of the preliminary eligibility determination within 10 business days of receiving a complete application.

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 any preference(s) for which they qualify, and the date and time their complete application is received by the PHA.

Part II: Managing the Waiting List

4-II A. OVERVIEW

The PHA must have policies regarding various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for assistance, as well as conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how a PHA may structure its waiting list and how families must be treated if they apply for assistance from a PHA that administers more than one assisted housing program.

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

The PHA's HCV waiting list must be organized in such a manner to allow the PHA 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:

- Applicant name;
- Family unit size;
- Date and time of application;
- Qualification for any local preference;
- Racial or ethnic designation of the head of household.

HUD requires the PHA to maintain a single waiting list for the HCV program unless it serves more than one county or municipality. Such PHAs are permitted, but not required, to maintain a separate waiting list for each county or municipality served.

SHA Policy

SHA shall maintain a waiting list to ensure that any eligible family can receive consideration for housing assistance in a fair, non-discriminatory, and predictable manner.

The following exceptions apply to the HUD requirements above.

- SHA may establish a *special issuance* category of vouchers to address circumstances where timely issuance of vouchers can prevent homelessness or rent burden (MTW 12.H.03).
- Project-based partners maintain their own waiting lists and use their own eligibility and suitability criteria (MTW 9.H.20, Chapter 17).
- Tenant-based vouchers may be made available to local nonprofits, transitional housing providers, and divisions or local government that provide direct services to be used by their clients without regard to that client's position on the SHA waiting list (MTW 12.H.02, Chapter 17).

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 PHA 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 PHAs maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs.

SHA Policy

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

Project-based and Agency-based Voucher Programs

SHA Policy

SHA recognizes that it is only one participant in a network of housing and service providers serving very low-income and extremely low-income families in the Seattle/King County area and promotes the coordination of services among community resources when it can do so in a fair, open and non- discriminatory manner. To this end, SHA in 2000 established its Project-Based Voucher Program and in 2002 expanded the Agency-Based Voucher Program. Both programs are consistent with the authority to modify HUD regulations conferred by the Move to Work Agreements between HUD and SHA and the annual Move to Work Plans.

SHA's Project-Based Program and Agency-Based Voucher Program are described in Chapter 17 of this Plan.

Other Housing Assistance

SHA Policy

Other housing assistance means a federal, state or local housing subsidy, as determined by HUD, including public housing. SHA may not take any of the following actions because an applicant has applied for, received, or refused other housing:

1. Refuse to list the applicant on the SHA waiting list for tenant-based assistance;
2. Deny any admission preference for which the applicant is currently qualified;
3. Change the applicant's place on the waiting list based on preference, date and time of application, or other factors affecting selection under SHA selection policy; or
4. Remove the applicant from the waiting list.

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

Reopening the Waiting List

If the waiting list has been closed, it cannot be reopened until the PHA 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.

SHA Policy

SHA's Executive Director may elect to open the Housing Choice Voucher waiting list at any time.

SHA will give at least 30 days advance notice of the re-opening of the waiting list by public notice in a newspaper of general circulation such as Real Change Newspaper, by notice in its publication of record, the Daily Journal of Commerce, and by notices in various newspapers serving minority communities such as The Facts, The Asian Weekly, and other publications.

SHA will also notify housing and service providers in the Seattle area, including public housing authorities serving adjacent jurisdictions (such as King County Housing Authority, Snohomish County Housing Authority, Renton Housing Authority), including agencies which serve individuals with disabilities.

The notice will contain:

1. The dates, times, and the locations where families may apply;
2. The programs for which applications will be taken;
3. A brief description of the Housing Choice Voucher Program;
4. A statement that public housing residents must submit a separate application if they want to apply for a Housing Choice Voucher;

5. Limitations, if any, on who may apply;
6. SHA's address, email address, and telephone number;
7. How to submit an application; and
8. Information on eligibility criteria and local preferences.

The notices will be made in an accessible format upon request by a person with disabilities, as a reasonable accommodation.

Lottery Option

SHA Policy

Upon re-opening the waiting list after a closure, SHA may assign positions on the waiting list to new applicants using any fair means, including "by lottery," i.e., assigning random numbers to all families who submit applications within a given time period, and then considering their applications in the order of the random numbers assigned to them.

Random numbers that are assigned shall replace date and time of application, for the purpose of structuring the order in which applications are considered. Under the Lottery Option, SHA may set a finite number of applicants who will receive a place on the Housing Choice Voucher waitlist.

Closing the Waiting List

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

SHA Policy

If SHA re-opens the waiting list for an indefinite period, it may decide to close it again by SHA board resolution. SHA will give at least 30 days' notice to the community by public notice in a newspaper of general circulation such as Real Change Newspaper, by notice in its publication of record, the Daily Journal of Commerce, and by notice in various newspapers serving minority communities such as The Facts, The Asian Weekly, and other publications.

SHA will also notify housing and service providers in the Seattle area, including public housing authorities serving adjacent jurisdictions (King County Housing Authority, Snohomish County Housing Authority, Renton Housing Authority), and agencies serving individuals with disabilities.

Upon request from a person with a disability, additional time not to exceed 60 days may be given as an accommodation for submission of an application after the closing deadline. This accommodation shall be offered upon suitable third-party documentation of the disability and the person's inability to apply by the closing date because of the disability.

4-II D. FAMILY OUTREACH [HCV GB, PP. 4-2 TO 4-4]

The PHA must conduct outreach as necessary to ensure that the PHA has a sufficient number of applicants on the waiting list to use the HCV resources it has been allotted.

Because HUD requires the PHA to admit a specified percentage of extremely low-income families to the program (see Chapter 4, Part III), the PHA may need to conduct special outreach to ensure that an adequate number of such families apply for assistance [HCV GB, p. 4-20 to 421].

PHA outreach efforts must comply with fair housing requirements. This includes:

- Analyzing the housing market area and the populations currently being served to identify underserved populations
- Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program

- Avoiding outreach efforts that prefer or exclude people who are members of a protected class

PHA 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:

- Submitting press releases to local newspapers, including minority newspapers
- Developing informational materials and flyers to distribute to other agencies
- Providing application forms to other public and private agencies that serve the low income population
- Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

SHA Policy

SHA will publicize and disseminate information about the availability of housing assistance for very low-income families on a regular basis.

SHA will communicate the status of housing availability to other service providers in the community and advise them of eligibility requirements and guidelines so that they can make proper referrals for housing assistance.

4-II E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

SHA Policy

While on the waitlist, applicants are required to inform SHA in writing of a change in mailing address. Applicants are also required to respond to requests from SHA to update information on their application and to confirm their interest in assistance. Failure to do so may result in removal of their name from the waiting list.

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

HUD requires the PHA 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 a PHA request for information or updates, and the PHA determines that the family did not respond because of the family member's disability, the PHA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

SHA Policy

The waiting list will be updated annually to ensure that all applicants and applicant information is current and timely.

SHA requires that all applicants on the waiting list check in using the Save My Spot system every three months.

Families that fail to check in using the Save My Spot system will be removed from the waiting list without further notice.

Removal from the Waiting List

SHA Policy

If at any time an applicant family is on the waiting list, SHA 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 SHA has determined the family is not eligible for assistance, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal review regarding SHA's decision (see Chapter 16) [24 CFR 982.201(f)].

SHA will contact applicants at the mailing address provided. It is important for applicants to update their mailing address, because if a letter is returned undeliverable, the applicant will be removed from the waiting list without further notice.

Any mailings to an applicant which require a response will state that failure to respond within 10 business days will result in the applicant's name being removed from the waiting list. If the applicant fails to respond by the deadline stated in the written notice, the applicant will be provided a second opportunity to respond within 10 business days. If the applicant fails to respond by the deadline stated in the second notice, the applicant will be removed from the waiting list without further notice. If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have 10 business days to respond from the date the letter was re-sent.

Reinstatement of Cancelled Applications

SHA Policy

The waiting list will remain open and applicants whose application has been canceled may reapply for the waiting list at any time.

Applicants whose applications have been cancelled for failure to respond to a written notice, including failure to respond to the initial application notice(s) or failure to respond to a waitlist purge, may request reinstatement of their application within a period of 12 months following the deadline for the initial application notice(s).

The HCV Issuance Manager or a designee shall reinstate the application to the waiting list if the applicant has no previous history of failure to respond to written notices. The HCV Issuance Manager may reinstate the application even with previous history of non-response if:

1. There is evidence that the applicant never received the notice;
2. There is evidence of SHA error;
3. The HCV Issuance Manager determines that circumstances beyond the applicant's control prevented timely response to the notice (e.g., death in the family, hospitalization); or
4. There is evidence that the applicant is now able to complete the application process in a timely fashion (e.g., now has a case manager or other support services that will assist the applicant in the application process).

No applications will be reinstated after 12 months from a deadline to respond, unless the HCV Issuance Manager determines that the applicant's failure to respond is caused by documented SHA error.

Appeals of the HCV Issuance Manager's decision not to reinstate a cancelled application may be made in writing to the HCV Deputy Director, who will make the final decision.

Reinstated Application: Priority for Funding

SHA Policy

Reinstated applications shall be offered a voucher in the same manner as other applications with the same preference and the same date of application, if funds are available.

However, all applications in progress as of the date of reinstatement shall have priority for funding over the reinstated application, even if they were submitted after the reinstated application's initial date of application. If funds are not available at the time of reinstatement after all applications in progress are offered a voucher, the reinstated application shall remain on the top of the waiting list until such time as vouchers are available for applications with the same or later dates of initial application.

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.

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, the PHA may admit such families whether or not they are on the waiting list, and, if they are on the waiting list, without considering the family's position on the waiting list. These families are considered non-waiting list selections. The PHA must maintain records showing that such families were admitted with special program funding.

SHA Policy

From time-to-time HUD requests that SHA apply for and issue vouchers to residents living in specific properties. In such cases, SHA shall issue vouchers to the specified families without regard to its waiting list or percentage allocation policies described in this Chapter.

The following are examples of program funding that may be designated by HUD for families living in a specified unit:

1. A family displaced because of demolition or disposition of a public or Indian housing project (includes relocation vouchers for SHA HOPE VI and Choice Neighborhoods redevelopment projects);
2. A family residing in a multi-family rental housing project when HUD sells, forecloses or demolishes the project; and
3. For housing covered by the Low Income Housing Preservation and Resident Home-ownership Act of 1990, a family residing in a project covered by a Project-Based Voucher Program HAP Contract at or near the end of the HAP contract term.

In addition, SHA has the authority to issue vouchers to eligible families in response to specific situations or opportunities outside of the general public waiting list, Project-based Program, or Agency-based Program, when such issuances are consistent with SHA's mission and are made in response to specific community needs, and are consistent with the provisions of this Plan. Standard categories of special issuances include:

1. Vouchers used in the Seattle Senior Housing Program, described below;
2. Vouchers issued to residents of SHA's Project-based Voucher Program and Section 8 "Mod Rehab" units whose household size increases beyond HQS occupancy standards, when no replacement unit is available in the building, as described in Chapter 17;
3. Vouchers issued to current residents of Project based units at the expiration of an HCV Project based contract.
4. Vouchers issued at the discretion of the Executive Director for cases of special urgency, described below;

Seattle Senior Housing Program (SSHP) Program Based Vouchers [SHA BOARD RESOLUTION 4699 DATED JUNE 16, 2003]

The SSHP rent policy passed by the SHA Board on June 16, 2003, calls for approximately 15 percent of the 1,000 units to be occupied by residents assisted with tenant-based vouchers (MTW 9.H.17).

To be eligible for an SSHP voucher, a household must:

1. Be a current resident of an SSHP building or on the waiting list for an SSHP building;
2. Have an adjusted annual income under 30 percent of area median income as established by HUD, based on family size; and
3. Meet all other requirements for a voucher described in Chapter 2 of this Administrative Plan.

SHA shall issue a voucher to an SSHP applicant or resident when the total proportion of vouchers in the SSHP program falls below 15%.

SHA shall offer vouchers to eligible residents or SSHP applicants in the following order of priority:

1. Current residents who are most rent burdened, from the lowest income up to 30 percent of Area Median Income; and
2. Applicants on an SSHP waiting list with income under 30 percent of Area Median Income, in order of the date and time of their application for an SSHP unit.

The rent to owner (contract rent) for voucher holders in SSHP shall be lower of the SHA payment standard less the appropriate utility allowance for tenant-paid utilities, or a reasonable rent for the unit based on comparable unassisted units in the private market.

SSHP vouchers are program-based meaning that they shall be non-portable, and SSHP voucher holders will not be allowed to use an SSHP voucher outside of an SSHP building regardless of Housing Authority jurisdiction.

The administration of all other aspects of SSHP vouchers shall be the same as for any tenant-based voucher, as described in this Administrative Plan.

Executive Director Discretion

The SHA Board delegates to SHA's Executive Director or his designee the discretion to offer a Housing Choice Voucher to an eligible, very low or extremely low-income family facing immediate displacement through no fault of their own, provided funding is available and the special circumstances are documented.

Examples include:

1. City condemnation of a building for reasons of violation of health and safety codes (not city agency redevelopment plans), when the building provides housing or shelter to extremely low-income households, and the City requests SHA's assistance in relocating the occupants;
2. SHA purchase of a commercial building that happens to provide housing or shelter to extremely low-income households, which does not meet minimum building codes or is otherwise unsuitable for residential use;
3. Vouchers issued to residents of SHA housing units as an accommodation for a disability, upon referral by the SHA ADA Committee with approval by the Executive Director; and
4. Vouchers issued to residents of SHA housing units or KCHA under joint agreement as an accommodation for a family under VAWA

All special issuances, approved at the Executive Director discretion, shall be justified in writing by the Director of Rental Assistance Programs and approved in advance by the SHA Executive Director.

Targeted Funding [24 CFR 982.204(e)]
HUD may award SHA funding for a specified category of families on the waiting list. SHA must use this funding only to assist the families within the specified category. In order to assist families within a targeted funding category, SHA may skip families that do not qualify within the targeted funding 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.

SHA Policy

SHA shall carefully observe the eligibility and tenant selection requirements for targeted vouchers, as they are described in the HUD Notice of Funding Availability (NOFA) announcing the availability of the vouchers, and in HUD award letters. SHA shall also carry out the commitments it makes in its grant applications submitted to HUD in response to NOFAs for targeted vouchers. Additionally, SHA operates a separate waitlist for special programs (MTW Strategy 8.A.02).

SHA administers the following types of targeted funding:

- Family Unification Program (FUP) Vouchers
- Fostering Youth to Independence (FYI) Vouchers
- Veterans Administration Supportive Housing (VASH) Vouchers
- Non-Elderly Disabled (NED) Vouchers
- Mainstream Vouchers
- Emergency Housing Vouchers (EHV)

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.

4-III C. SELECTION METHOD

PHAs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the PHA will use [24 CFR 982.202(d)].

Local Preferences [24 CFR 982.207; HCV p. 4-16]
PHAs are 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 the PHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the MTW Plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources.

SHA Policy

SHA has established local preferences for the tenant-based Housing Choice Voucher Program to accomplish the following goals:

1. Address first the most urgent housing needs of applicants able to live independently in privately owned rental housing;
2. Provide a rational, efficient admissions process that treats applicants with respect, fosters honesty and open communication between staff and applicants and minimizes inconvenience for applicants;
3. Maximize use of SHA resources by encouraging high Housing Choice Voucher utilization rates; and

4. Support households moving through the continuum of affordable housing in Seattle from more highly supported environments into less highly supported housing, when the household no longer needs intensive case management or other support services.

SHA shall use the following local preferences:

1. The following program transfer preference is ranked first:

   - Youth that are currently served in the Family Unification Program (FUP)/Fostering Youth to Independence (FYI) program administered by SHA whose FUP/FYI voucher is expiring due to the statutory time limit, if a written referral has been received from the current FSS/JobLink case manager, FUP/FYI case manager of record (YMCA, YouthCare), or SHA Housing Counselor certifying that the youth will have a lack of adequate housing as a result of the expiration of a FUP/FYI voucher and needs a tenant-based voucher to ensure uninterrupted housing assistance.

In the event a program transfer is approved for a current participant due to the preference described above, the current participant will not be required to complete an application and go through the formal process of being selected from the current HCV waiting list. Verification of the eligibility for this preference will be required for a voucher to be authorized and issued. All applicants who qualify for this preference must meet eligibility criteria for the HCV program in accordance with policies in Chapter 3.

2. Second priority shall be given to the following (equally assigned):
   - Households whose current gross income is at or below 30 percent of area median income on the date they complete their application, as established annually by the U.S. Department of Housing and Urban Affairs for the Seattle/Bellevue area and adjusted for family size;
   - Households whose gross income for the 12-month period prior to the date they complete their application is at or below 30 percent of median income, as established annually by the U.S. Department of Housing and Urban Affairs for the Seattle-Bellevue area and adjusted for family size; and
   - Households who are homeless, which is defined as:
     - Living on the street, in an emergency shelter, or in a transitional housing facility;
     - Being a client of a case-management program serving the homeless; or
     - Meeting one of these conditions within the 12-month period prior to the eligibility determination.
3. Third priority is given to all applicants who do not meet the criteria to claim one of the preferences described above but meet other eligibility criteria as described in chapter 2. This includes:
   - Applicants that have a *very low-income*, that is, the applicant's gross annual income cannot exceed 50 percent of the area median income.
   - Applicants whose income exceeds 50 percent of the area median income provided their income is *low*, that is, does not exceed 80 percent of median income established annually by HUD for the Seattle/Bellevue Metropolitan Area and adjusted for family size and who meet one of the following criteria:
     - A family that has been continuously assisted under the 1937 Housing Act. An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within 120 days of voucher issuance;
     - A family that has been physically displaced by rental rehabilitation activity under 24 CFR Part 511;
     - A family residing in a project subject to a home-ownership program under 24 CFR 248.173 that is not participating in the program;

  - A family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract under 24 CFR 248.165;
  - A family that qualifies for voucher assistance as a family residing in a project subject to a resident home-ownership program that is not participating in the program; and
  - A family participating in a Housing Choice Voucher Program home-ownership program.
  - A family referred through the Family Unification Program (FUP) or Foster Youth to Independence (FYI) Initiative.
  - A family referred through the Veteran's Administration Supportive Housing (VASH) Program.
  - A family referred through the Emergency Housing Voucher (EHV) Program.
- Applicants whose income exceeds 80 percent of median income established annually by HUD for the Seattle/Everett Metropolitan Area and adjusted for family size and who meet one of the following criteria:
  - A family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract under 24 CFR 248.165; and
  - A family living in a unit which becomes a Project-Based Voucher Program unit under SHA's project-basing policies described in Chapter 17, provided the family's income was lower than the target income level for the unit described in the HAP Contract or Agreement to Enter into a HAP Contract (AHAP) when the family first leased the unit.

Income Targeting Requirement [24 CFR 982.201(b)(2)]
HUD requires that extremely low-income (ELI) families make up at least 75 percent of the families admitted to the HCV program during SHA's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or 30 percent of the area median income, whichever number is higher. To ensure this requirement is met, a PHA 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)].

SHA Policy

SHA is not required to follow the HUD Income Targeting Requirements of its MTW programs. For MTW programs, at least 75% of new admissions for the HCV and Public Housing Program will have incomes at or below 50 percent of area median income (Moving to Work Agreement Section II(D)).

In general, SHA exceeds the income targeting requirements for the Housing Choice Voucher Program, through the natural operation of its local preferences described above. SHA shall review the income levels of current program participants at least annually to determine that at least 75% of the participants and at least 75% of new voucher issuances are provided to families at or below 50 percent of area median income as determined by HUD.

Order of Selection
The PHA system of preferences may select families based on local preferences according to the date and time of application or by a random selection process (lottery) [24 CFR 982.207(c)]. If a PHA does not have enough funding to assist the family at the top of the waiting list, it 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)].

SHA Policy

SHA shall use a random selection process to determine when applicants are selected off of the waiting list.

SHA will prioritize issuing vouchers to eligible applicants according to the local preferences stated in Chapter 4, section 4-III C.

Families that are determined not to qualify for a preference will be returned to the waiting list if their income is 31%-50% of the Area Median Income (AMI).

Applicants must update their applications when their address and/or household circumstances change.

After the point of initial contact with an applicant on the waiting list, housing assistance will be offered to applicants in the order in which they complete the application process. However, if an applicant is currently assisted in another program, his/her application will be held until the end of his/her initial lease term.

Family Targeting

SHA Policy

SHA is a participant in the Creating Moves to Opportunity (CMTO) pilot to test the relative effects of strategies that support families with children to move to opportunity neighborhoods.

In support of the CMTO pilot, and to increase the overall number of families with children served, Seattle Housing Authority will temporarily apply a voucher target for families with children, from the 2017 Voucher Waitlist, at a rate that will allow us to issue vouchers to fulfill CMTO requirements. SHA will select families with children from the 2017 HCV waiting list, in the order of the family's assigned waitlist number.

Families with children under the age of 18 years are a protected class under both local and federal fair housing rules. SHA may partake in special programs and initiatives insomuch as the goal of such programs will be to affirmatively further fair housing. Families with children under the age of 18 years in the voucher program face unique barriers to leasing. A policy that specifically addresses these unique barriers is not therefore a fair housing violation, even though the benefits provided are not available equally to everyone. Local preferences apply.

Public Notice for Changes in Preferences

SHA Policy

SHA will provide notice to the public when changing its preference system using the same guidelines as those for opening and closing the waiting list. In addition, SHA shall hold a public hearing for the purpose of taking comment on proposed changes in its preference policies.

4-III D.NOTIFICATION OF SELECTION

When a family has been selected from the waiting list, the PHA must notify the family [24 CFR 982.554(a)].

SHA Policy

SHA will notify the family by when it is selected from the waiting list. The notice will contain the following:

- Application materials as well as date all materials are to be returned to SHA
- Instructions for completing the application

- Contact information for assistance with completing the application

If a notification letter is returned to the PHA with no forwarding address, the family will be removed from the waiting list. A notice of denial (see Chapter 3) will be sent to the family's address of record, as well as to any known alternate address.

If there is no response to the notification of selection within the require time period, SHA will cancel the application for non-response and notify the family. The reinstatement policy described above will apply to applications cancelled for not responding to requests for information.

4-III E. THE APPLICATION INTERVIEW

HUD recommends that the PHA obtain the information and documentation needed to make an eligibility determination though a face-to-face interview with a PHA representative [HCV GB, pg. 4-16]. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the PHA 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 determined by the PHA [Notice PIH 2012-10].

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability.

SHA Policy

SHA does not require families to attend an application interview prior to eligibility determination.

4-III F. COMPLETING THE APPLICATION PROCESS

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

SHA Policy

If SHA determines that the family is ineligible, SHA will send written 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 hearing (Chapter 16).

Verification of Information [24 CFR 982.201(e)]

SHA Policy

Information provided by the applicant will be verified, using the verification procedures in Chapter 7, Verification Procedures. Family composition, income, allowances and deductions, assets, student status, immigration status, eligibility and rent calculation factors, and other pertinent information will be verified.

Resubmission of Outdated Income Documentation

SHA Policy

As a general rule, income information must be current within 60 days of the date of issuance of a voucher, although some documents may have different standards of currency, as described in Chapter 7, Verification. Applicants may have to re-submit documentation if the documentation previously submitted is no longer current according to the standards described in Chapter 7.

Denial of an Application Based on Information on Application

SHA Policy

If the family is determined to be ineligible based on the information provided in the application, SHA will notify the family in writing, state the reason(s), and inform them of their right

to an informal hearing, as described in Chapter 3. SHA does not allow alterations to the application once a determination is made on the application.

Applicants Denied because they are Younger than Age 18

SHA Policy

Applicants who are not eligible because they are younger than 18 years old may remain on the HCV waiting list until they are 18, at which time their application will be processed, if funds are available.

Criminal Background Check

SHA Policy

After an applicant's file is complete with respect to income documentation and other elements of eligibility, SHA will order a criminal background check for the applicant. If the criminal background check reveals criminal history that does not meet SHA's standards for eligibility/criminal history outlined in Chapter 3, SHA will notify the applicant in writing that the application is denied based on criminal history and provide information on how to request an informal review as described in Chapter 16. A copy of the criminal history report will be mailed to the applicant along with the notice of denial.

Family Briefing and Voucher Issuance

If the PHA determines that the family is eligible to receive assistance, the PHA will invite the family to attend a briefing in accordance with the policies in Chapter 5.

SHA Policy

After an applicant household has cleared the criminal background check, the family will be invited to the next available family briefing session, at which time they will pick up their voucher. The briefing is mandatory; no family will be issued a voucher until they have attended one.

Chapter 5: Briefings and Voucher Issuance

This chapter explains the briefing and voucher issuance process. When a family is determined to be eligible for the Housing Choice Voucher (HCV) program, the PHA 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 the HUD-required documents and other information the family needs to know in order to lease a unit under the program. Once the family is fully informed of the program's requirements, the PHA issues the family a voucher. The voucher includes the unit size for which the family qualifies based on the PHA's subsidy standards, as well as the issue and expiration date of the voucher. The voucher is the document that authorizes the family to begin its search for a unit, and limits the amount of time the family has to successfully locate an acceptable unit.

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 SHA's standards for determining how many bedrooms a family of a given composition qualifies for, which in turn affects the amount of subsidy the family can receive. It also discusses the policies that dictate how vouchers are issued, and how long families have to locate a unit.

Part I: Briefings And Family Obligations

5-I A. OVERVIEW

HUD regulations require the PHA to conduct mandatory briefings for applicant families who qualify for a voucher. The briefing provides a broad description of owner and family responsibilities, explains the PHA's procedures, and includes instructions on how to lease a unit. The family will also receive a briefing packet which provides more detailed information about the program. This part describes how briefings will be conducted, the information that will be provided to families, and the policies for extensions and suspensions of vouchers.

5-I B. BRIEFING [24 CFR 982.301]

The PHA 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, the PHA must ensure effective communication in accordance with Section 504 requirements (Section 504 of the Rehabilitation Act of 1973), and ensure that the briefing is accessible to individuals with disabilities. For a more thorough discussion of accessibility requirements, refer to Chapter 2.

SHA Policy

A full briefing, as required by HUD, will be conducted for applicant families prior to being issued a voucher. Families may attend briefings and then meet with SHA staff, who will issue their voucher and provide further detailed information about the program as necessary.

Briefings will be conducted in English. For limited English proficient (LEP) applicants, SHA will provide translation services in accordance with SHA's LEP plan (See Chapter 2).

SHA will not issue a voucher to a family unless the household representative has attended a briefing and signed the voucher.

Notification and Attendance

SHA Policy

After an applicant household has cleared the criminal history check, the family will be invited to the next available family briefing session, at which time they will receive their voucher. The briefing is mandatory; no family will be issued a voucher until they have attended one.

Families will be notified by mail of their eligibility for assistance at the time they are invited to attend a briefing. The notice will identify who is required to attend the briefing, as well as the date and time of the scheduled briefing.

If the notice is returned by the post office with no forwarding address, the applicant will be denied, and their name will not be placed back on the waiting list. If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated.

Applicants who provide prior notice of inability to attend a briefing will generally be scheduled for the next available or a future briefing.

Applicants who fail to attend a scheduled briefing without prior notice will automatically be scheduled for the next available briefing. Applicants who fail to attend two scheduled briefings, without prior notification and approval by SHA, may be denied admission based on failure to supply information needed for certification.

The briefing format for families who have family members with disabilities may be modified upon request by the family. This may include conducting one-on-one briefings on site or outside the office. Such families may, however, be required to complete a formal written request for an accommodation of the disability.

Requirement to Provide Information and Keep Appointments

The family will be given information about the requirement to keep appointments and the number of times appointments will be rescheduled, as specified in this Plan.

Appointments will be scheduled, and time requirements (deadlines) will be imposed for the following events and circumstances:

- Completion of verification procedures;
- Attendance at voucher issuance and briefings;
- Attendance at Housing Quality Standards (HQS) inspections;
- Completion of re-certifications;
- Attendance at family conferences; and
- Requests for appeals.

Generally, acceptable reasons for missing appointments or failing to provide information by deadlines are:

- Medical emergency;
- Family emergency; or
- Other good cause, as determined by SHA.

Missed Appointments and Deadlines [24 CFR 982.551, 982.552 (c)]

SHA Policy

A participant who fails to keep an appointment, or to supply information required by a deadline without notifying SHA, may be sent a Notice of Termination of Assistance for failure to provide required information, or for failure to allow SHA to inspect the unit. The Notice will include information about requesting a hearing.

For most purposes in this Plan, the family will be given two opportunities before being issued a notice of termination or denial for breach of a family obligation. The notice may be rescinded if the family offers to reschedule, and the family does not have a history of non-compliance.

Oral Briefing [24 CFR 982.301(a)]
Each briefing must provide information on the following subjects:

- How the Housing Choice Voucher program works;
- Family and owner responsibilities;
- Where the family can lease a unit, including renting a unit inside or outside the PHA's jurisdiction;
- An explanation of how portability works.
- The advantages of areas that do not have a high concentration of low-income families; and
- For families receiving welfare-to-work vouchers, a description of any local obligations of a welfare-to-work family and an explanation that failure to meet the obligations is grounds for denial of admission or termination of assistance.

In briefing a family that includes a person with disabilities, PHA must also take steps to ensure effective communication.

Move Briefing

SHA Policy

A move briefing may be held for participants who will be reissued a voucher to move and have given notice of intent to vacate to their landlord. This briefing shall include incoming and outgoing portable families. It may be conducted in a group format or through a personal interview.

Briefing Packet [24 CFR 982.301(b); New HCV GB, *Housing Search and Leasing,* p. 7]
Documents and information provided in the briefing packet must include the following:

- The term of the voucher, voucher suspensions, and the PHA's policies on any extensions of the term. If the PHA allows extensions, the packet must explain how the family can request an extension.
- A description of the method used to calculate the housing assistance payment for a family, including how the PHA determines the payment standard for a family, how the PHA determines total tenant payment for a family, and information on the payment standard and utility allowance schedule.
- An explanation of how the PHA determines the maximum allowable rent for an assisted unit.
- Where the family may lease a unit and an explanation of how portability works,
- The HUD-required tenancy addendum, which must be included in the lease.
- The form the family must use to request approval of tenancy**,** and a description of the procedure for requesting approval for a tenancy.
- A statement of the PHA policy on providing information about families to prospective owners.
- The PHA subsidy standards including when and how exceptions are made.
- Materials (e.g., brochures) on how to select a unit and any additional information on selecting a unit that HUD provides (e.g., HUD brochure entitled, "A Good Place to Live").
- Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form, including information on how to complete the form and file a fair housing complaint.
- A list of landlords known to the PHA who may be willing to lease a unit to the family or other resources (e.g., newspapers, organizations, online search tools) known to the PHA that may assist the family in locating a unit. PHAs must ensure that the list of landlords or other resources covers areas outside of poverty or minority concentration.
- Notice that if the family includes a person with disabilities, the family may request a list of available accessible units known to the PHA.
- The family obligations under the program, including any obligations of a welfare-to-work family, and any obligations of other special programs if the family is participating in one of those programs.

- The grounds on which the PHA may terminate assistance for a participant family because of family action or failure to act.
- PHA informal hearing procedures including when the PHA 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 concentration of low-income families.
- The HUD pamphlet on lead-based paint entitled, "Protect Your Family from Lead in Your Home."

If the PHA is located in a metropolitan area, the following additional information must be included in the briefing packet in order to receive full points under SEMAP Indicator 7, Expanding Housing Opportunities [24 CFR 985.3(g)]:

- Maps showing areas with housing opportunities outside areas of poverty or minority concentration, both within its jurisdiction and its neighboring jurisdiction
- Information about the characteristics of these areas including job opportunities, schools, transportation, and other services
- An explanation of how portability works, including a list of portability contact persons for neighboring PHAs with names, addresses, and telephone numbers

SHA Policy

SHA is exempt from SEMAP requirements. Instead, SHA is evaluated by HUD on the basis of its annual MTW Report (MTW Agreement Appendix VII. B.1)

5-I C.FAMILY OBLIGATIONS

Obligations of the family are described in the HCV regulations and on the voucher itself. These obligations include responsibilities the family is required to fulfill, as well as prohibited actions. The PHA 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

SHA Policy

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

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

Family Obligations [24 CFR 982.551]

The family obligations of the voucher are listed as follows:

- The family must supply any information that the PHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by the PHA 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 deficiencies under the National Standards for the Physical Inspection of Real Estate (NSPIRE) caused by failure to pay tenant-provided utilities or

appliances, or damages to the dwelling unit or premises beyond ordinary wear and tear caused by any member of the household or guest.

- The family must allow the PHA 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.

SHA Policy

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

  - If the owner initiates termination of the tenancy, or terminates the tenancy, through court action for serious or repeated violation of the lease;
  - If the owner notifies the family and SHA of termination of tenancy for serious or repeated lease violations, and the family moves from the unit without notice prior to the completion of court action;
  - If there are police reports, neighborhood complaints or other third-party information verifying serious or repeated violations of the lease;
  - If the family moves from the unit without providing notice to SHA and the owner; or
  - If the family fails to pay rent when due.

- The family must notify the PHA and the owner before moving out of the unit or terminating the lease.
- The family must promptly give the PHA a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- The composition of the assisted family residing in the unit must be approved by the PHA. The family must promptly notify the PHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request PHA approval to add any other family member as an occupant of the unit.

SHA Policy

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

  - Persons who have been evicted from public housing;
  - Persons who have previously violated a family obligation listed above and in 24 CFR 982.551 of HUD regulations;
  - Persons who have been part of a family whose assistance has been terminated for cause under the Certificate or Voucher program;
  - Persons who have engaged in drug-related criminal activity or violent criminal activity;
  - Persons who have committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
  - Persons who currently owe rent or other amounts to SHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Housing Act;
  - Persons who have engaged in or threatened abusive or violent behavior toward residents, the public or SHA personnel;
  - Persons who cannot provide verification of their assigned SSN; or
  - Persons who contend to have eligible immigration status but cannot provide verification.

(Refer to Chapter 14, Recertifications, for further information on adding people to a subsidized family.)

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

SHA Policy

Families are required to notify SHA if any family member leaves the assisted household. When the family notifies SHA, they must furnish the following information:

  - The date the family member moved out; and
  - A statement as to whether the family member is temporarily or permanently absent.

- If the PHA has given approval, a foster child or a live-in aide may reside in the unit. The PHA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when PHA 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.
- The family must supply any information requested by the PHA to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify the PHA when the family is absent from the unit.
- 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 PHA policies related to alcohol abuse.
- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA 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]

Limitation on Profit-Making Activity in Unit

SHA Policy

Any business activity that results in the family's inability to use any of the living areas in the unit, such as a bedroom utilized for a business which is not available for sleeping, is prohibited.

Any use of the unit for a business that is not incidental to its use as a dwelling unit is prohibited.

Any illegal business or business not permitted by zoning is prohibited.

Part II: Subsidy Standards and Voucher Issuance

5-II A. OVERVIEW

The PHA must establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. This part presents the policies that will be used to determine the family unit size (also known as the voucher size) a particular family should receive, and the policies that govern

making exceptions to those standards. The PHA must also establish policies related to the issuance of the voucher, to the voucher term, and to any extensions of the voucher term.

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

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

The following requirements apply when the PHA determines family unit size:

- The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.
- The subsidy standards must be consistent with space requirements under the housing quality standards.
- The subsidy standards must be applied consistently for all families of like size and composition.
- A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size.
- A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.
- Any live-in aide (approved by the PHA to reside in the unit to care for a family member who is disabled or is at least 50 years of age) must be counted in determining the family unit size;
- Unless a live-in-aide resides with a family, the family unit size for any family consisting of a single person must be either a zero- or one-bedroom unit, as determined under the PHA subsidy standards.

SHA Policy

SHA assigns 1 bedroom to 2 people within the following guidelines, and further imposes minimum occupancy standards outlined below. SHA shall make a determination as to the number of rooms which are acceptable sleeping rooms, for the purpose of deciding maximum occupancy level according to HQS. The determination will be made on a case-by-case basis, based on HQS standards, the design of the structure, family composition and safety of egress.

- Families shall be assigned to a unit with the least number of bedrooms suitable to their household size as defined herein.
- The unit size that a household may be offered would provide that there be at least one person per bedroom.
- Persons of different generations, and unrelated adults (except for domestic partners) may have a separate bedroom, within the limitations of the minimum occupancy standards outlined below.
- Foster children will be considered in determining unit size upon third-party verification of placement in the family. Families with foster children are subject to the same minimum occupancy standards as families without foster children. A family may not be able to accept a foster care placement if the foster agency requires the child to have its own bedroom and, as a result, the family will exceed the minimum occupancy standards described below.
- An approved live-in aide will be provided a separate bedroom. No additional bedrooms are provided for the attendant's family. A maximum of one bedroom per family will be allocated for live-in aides, even if the family has more than one aide.
- Single person families shall be allocated a studio voucher.
- All children anticipated to reside regularly in a dwelling unit will be included in determining the bedroom size. Examples include children expected to be born to pregnant women,

children who are in the process of being adopted by an adult, or children whose custody is being obtained by an adult.

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

	Persons in Household	
Voucher Size	*Minimum*	*Maximum*
0 Bedroom	1	2
1 Bedroom	1	4
2 Bedrooms	2	6
3 Bedrooms	3	8
4 Bedrooms	4	10
5 Bedrooms	6	12
6 Bedrooms	8	14

Current subsidy standards were adopted in December 2015 to ensure consistency across all SHA programs. These subsidy standards assign one bedroom per two persons in the household, and do not generally assign a separate bedroom for member of the opposite sex. Exceptions will be made on a case-by-case basis.

The subsidy standards became effective April 1, 2016, for all new admissions to the program, new port-ins, and to all families continuing on the program who submit requests to Move with Continued Assistance.

SHA Policy

Unit Size Selected if Different from Voucher [24 CFR 982.402(c)]
The family that selects a dwelling unit of a different size than that listed on the voucher shall be subject to the following:

- Subsidy Limitation: The payment standard for a family shall be the lower of:
  1. The payment standard for the number of bedrooms allowed based on family size and composition, according to the guidelines noted above; or
  2. The payment standard amount for the actual number of bedrooms for the unit rented by the family.
- Utility Estimate: The utility estimate used to calculate the gross rent is based on the lower of the family's voucher size, or the unit size.

5-II C.EXCEPTIONS TO SUBSIDY STANDARDS

In determining family unit size for a particular family, the PHA may grant an exception to its established subsidy standards if SHA 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)].

SHA Policy

SHA may grant exceptions from the subsidy standards only if the family makes a written request for a larger voucher size that provides compelling reasons to prove that an exception is necessary. The need for an exception shall be supported by documentation from relevant

qualified professionals (e.g., licensed medical or social service professionals, court or law enforcement officials). Before granting subsidy for additional bedrooms, SHA must find that an exception is necessary based upon the information provided by the family.

Accommodation for a Person with Disabilities
SHA may grant an exception to voucher size standards as an accommodation for persons with disabilities if subsidy for an additional bedroom is shown to be needed. Such requests must be made in writing. Both the nature of the disability and the reasons for the additional bedroom related to the disability must be verified by a doctor or other medical professional or a licensed social service professional.

HUD Conversion/Tenant Protection Vouchers
If the participant family remains in the eligible property, the voucher size issued is equal to the household unit size on the conversion date within SHA's subsidy limits. If the family moves out of the original property, the household will be issued a voucher according to regular HCV occupancy standards.

If remaining in the eligible property is not an option, participant families currently in a one-bedroom unit will be issued a one-bedroom voucher for their initial lease up. If the family moves with continued assistance after their initial lease up, the household will be issued a voucher according to regular HCV occupancy standards.

Veteran's Administration Supportive Housing (VASH) Vouchers and Emergency Housing Vouchers (EHV)
Single-person applicants, port-ins, and participants on the Veterans Assistance Supportive Housing (VASH) and Emergency Housing Voucher (EHV) programs are eligible for a one-bedroom voucher at new admission or move issuance. Households are subjected to the subsidy limitation listed in section 5-II.B.

SHA Error
If SHA errs in the bedroom size designation, the Voucher Payment Standard of the appropriate size will be applied at the next annual review or annual update.

Under-housed and Over-housed Families
Families are required to notify SHA of all increases or decreases in household size within 10 days of the date of the increase or decrease.

If a unit does not meet Housing Quality Standards (HQS) cited below due to an increase in family size (making the unit too small), SHA will issue a new voucher of the appropriate size.

If a family becomes over-housed as the result of a decrease in household size, such that it no longer meets the minimum occupancy standards outlined above, SHA will reduce its subsidy to the appropriate voucher size at the latter of the family's next annual review\update or after fulfilling the initial lease term following the reduction in household size.

SHA may make an exception as an accommodation for a person with a disability or for a family that has a member with a disability.

Hardship Policy for Under – Housed Families
An under-housed family that requires a unit size of four (4) bedrooms and above will be considered for a temporary exemption from the occupancy standards policy. An exempted family will be subsidized for a longer period of time while looking for a unit that meets SHA occupancy standards. The exempted family will be required to illustrate that they are actively searching for a suitable unit.

Minimum Occupancy Standards Observed
When additional bedrooms have been allocated to a family for a larger voucher size, minimum occupancy standards must still be met (see chart above). An accommodation request for an exception to the minimum occupancy standards will be forwarded to a manager, who will review and respond to the request.

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, the PHA 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 the PHA has determined the family to be eligible for the program, and that the PHA expects to have money available to subsidize the family if the family finds an approvable unit. However, SHA does not have any liability to any party by the issuance of the voucher, and the voucher does not give the family any right to participate in the PHA's housing choice voucher program [Voucher, form HUD-52646]

A voucher can be issued to an applicant family only after the PHA has determined that the family is eligible for the program based on verification of 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].

SHA Policy

Following the briefing session, each household will be issued a voucher, which represents a contractual agreement between SHA and the family, specifying the rights and responsibilities of each party. It does not constitute admission to the program, which occurs when the lease and contract become effective.

The PHA should have sufficient funds to house an applicant before issuing a voucher. If funds are insufficient to house the family at the top of the waiting list, the PHA must wait until it has adequate funds before it calls another family from the list [HCV GB p. 8-10].

SHA Policy

Prior to issuing any vouchers, SHA will determine whether it has sufficient funding in accordance with the policies in Part VIII of Chapter 16.

If the PHA determines that there is insufficient funding after a voucher has been issued, the PHA may rescind the voucher and place the affected family back on the waiting list.

5-II E. VOUCHER TERM AND EXTENSIONS

Voucher Term [24 CFR 982.303]
The initial term of a voucher must be at least 60 calendar days. The initial term must be stated on the voucher [24 CFR 982.303(a)].

SHA Policy

The initial voucher term will be 120 calendar days. The family must have a Request for Tenancy Approval and Lease submitted on their behalf by a landlord within the 120-day period unless an extension has been granted by SHA.

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

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

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

The family must be notified in writing of the PHA's decision to approve or deny an extension. The PHA'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)].

SHA Policy

A family may request an extension of the voucher term. All requests for extensions must be submitted in writing prior to the expiration date of the voucher.

SHA may extend the term of the voucher beyond the total of 120 days if an extension is necessary to make the program accessible to a family member with a disability. The extension shall be for a specific period of time reasonably required for the accommodation.

Per PIH Notice 2024-30, initial extension requests for Mainstream vouchers will be granted regardless of request method so long as the request is made prior to the expiration of the initial voucher term. Initial extensions for Mainstream vouchers will be 90 day extensions.

Extensions up to 180 days may be granted upon receipt of the written request. Extensions beyond 180 days may also be granted, at the discretion of the HCV Deputy Director or designee, for extenuating circumstances.

SHA may examine all extenuating circumstances including, but not limited to:

- Extended hospitalization (i.e., more than 15 days);
- Death of an immediate family member;
- Inability to find a unit due to disability related unit accessibility requirements;
- Unit size requirements of five or more bedrooms; and/or
- Market conditions in high opportunity neighborhoods.

Verification of disability and/or extenuating circumstances may be required.

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

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

SHA Policy

If the voucher expires and is not extended by SHA prior to the date of expiration, the family will be denied assistance. The family will not be entitled to a review or hearing when a voucher expires. If the family is currently assisted, and has been issued a voucher to move, they may remain as a participant in their unit for as long as there is an assisted lease/contract in effect.

Within 10 business days after the expiration of the voucher term or any extension, SHA will notify the family in writing that the voucher term has expired and that the family must reapply in order to be placed on the waiting list.

Chapter 6: Income and Subsidy Determinations

A family's income determines eligibility for assistance and is also used to calculate the family's payment and the PHA's subsidy. The PHA 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.

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 PHA policies for calculating annual income are found in Part I.

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 PHA policies for calculating adjusted income are found in Part II.

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 PHA subsidy and required family payment.

Part I: Annual Income

6-I A. OVERVIEW

"Annual income" is the gross income, prior to any HUD allowed expenses or deductions, after federally mandated exclusions under 24 CFR 5.609(c) anticipated to be received by all family members in the 12 months following certification or recertification. Annual income is used to determine whether applicants are within the applicable income limits.

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:

- Annual Income Inclusions (Exhibit 6-1)
- Annual Income Exclusions (Exhibit 6-2)
- Treatment of Family Assets (Exhibit 6-3)
- Earned Income Disallowance for Persons with Disabilities (Exhibit 6-4)
- 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 purposes of determining

annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this plan, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.

6-I B. HOUSEHOLD COMPOSITION AND INCOME

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

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(c)(5)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(c)(2)].
Head, spouse, co-head or 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].

SHA Policy

"Temporarily absent" is defined as away from the unit for less than 60 days for the head of household and less than 180 days for all other household members. An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member. 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

SHA must compute all applicable income of every family member, including those who are temporarily absent.

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

It is the responsibility of the head of household to report changes in family composition. SHA will evaluate absences from the unit using this policy. (24 CFR 982.551(h)(7)(I)).

Exceptions to this general policy are discussed below.

Absent Students

SHA 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 PHA 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].

SHA Policy

If a child has been placed in foster care, SHA will verify with the appropriate agency whether and when the child is expected to be returned to the home.

If the time period is to be greater than 12 months from the date of removal of the child/children, the voucher size will be reduced. If all children are removed from the home permanently, the voucher size will be reduced in accordance with SHA's subsidy standards.

Absence of Entire Family

SHA Policy

These policy guidelines address situations when the family is absent from the unit but has not moved out of the unit. In cases where the family has moved out of the unit, SHA will terminate assistance in accordance with appropriate termination procedures contained in this Plan.

Families are required both to notify SHA before they move out of a unit and to give SHA information about any family absence from the unit.

If the entire family is absent from the assisted unit for more than 60 consecutive days or if SHA otherwise determines that the unit has been vacated or abandoned, the unit will be considered to be vacated and the assistance will be terminated.

"Absent" means that no family member is residing in the unit.

In order to determine if the family is absent from the unit, SHA may investigate the situation by taking action, including but not limited to the following:

1. Write letters to the family at the unit;
2. Telephone the family at the unit;
3. Interview neighbors;
4. Verify if utilities are in service; and
5. Check with the post office.

A person with a disability may request an extension of time as an accommodation, provided that the extension does not go beyond the HUD-allowed 180 consecutive calendar days' limit.

Absence Due to 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 [HCV GB, p. 5-22].

SHA Policy

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, SHA will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the

verification indicates that the family member will return in less than 180 consecutive days, the family member will not be considered permanently absent.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with SHA's "Absence of Entire Family" policy.

Joint Custody of Dependents

SHA 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, SHA 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

SHA Policy

If neither parent nor a designated guardian remains in the household SHA will treat that all remaining adults as a visitor for the first 30 days.

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the voucher will be transferred to the caretaker.

If the appropriate agency cannot confirm the guardianship status of the caretaker, SHA will review the status at 180-day intervals.

If custody or legal guardianship has not been awarded by the court, but the action is in process, SHA will secure verification from social services staff or the attorney as to the status.

If custody is awarded for a limited time in excess of stated period, SHA will state in writing that the transfer of the voucher is for that limited time or as long as the caretaker has custody of the children. SHA will use discretion as deemed appropriate in determining any further assignation of the voucher on behalf of the children.

The caretaker will be allowed to remain in the unit, as a visitor, until a determination of custody is made.

When SHA approves a person to reside in the unit as caretaker for the child/children, the person's income should be counted pending a final disposition. SHA will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.

If a member of the household is subject to a court order that restricts him or her from the home for more than six months, the person will be considered permanently absent.

6-I C.ANTICIPATING ANNUAL INCOME

The PHA 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

The PHA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes the PHA 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)]
- The PHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

PHAs are required to use HUD's Enterprise Income Verification (EIV) system in its entirety as a third party source to verify employment and income information, and to reduce administrative subsidy payment errors in accordance with HUD administrative guidance [24 CFR 5.233(a)(2)].

HUD allows PHAs to use tenant-provided documents (pay stubs) to project income once EIV data has been received in such cases where the family does not dispute the EIV employer data and where the PHA does not determine it is necessary to obtain additional third-party data.

SHA Policy

When EIV is obtained and the family does not dispute the EIV employer data, SHA may use current tenant-provided documents to project annual income. When the tenant-provided documents are pay stubs, SHA will make every effort to obtain current and consecutive pay stubs dated within the last 60 days.

SHA may obtain written and/or oral 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 SHA determines additional information is needed.

In such cases, SHA 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 SHA annualized projected income.

When annual income cannot be anticipated for a full 12 months, SHA may average known sources of income that vary to compute an annual income or annualize current income and conduct an interim re-examination if income changes. If there are bonuses or overtime which the employer cannot anticipate for the next 12 months, bonuses and overtime received the previous year will be used.

If, by averaging, an estimate can be made for those families whose income fluctuates from month to month, this estimate will be used so as to reduce the number of interim adjustments. The method used depends on the regularity, source and type of income.

Any time 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 SHA to show why the historic pattern does not represent the family's anticipated income.

Known Changes in Income

If SHA 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.

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)].

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(b)(11)].

Types of Earned Income Not Counted in Annual Income

Nonrecurring Income [24 CFR 5.609(b)(24)]

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 2009-19].

SHA 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.

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(b(3)]. (See Eligibility chapter for a definition of *foster children*.)

Certain Earned Income of Full-Time Students

Earnings in excess of $480 for each full-time student 18 years old or older (except for the head, spouse, or cohead) are not counted [24 CFR 5.609(b)(14)]. 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(b)(8)]. (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(b)(22)], including:

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

Certain Payments for the care of household members

- Payments relayed to aid and attendance to veterans in need of regular aid and attendance (24 CFR 5.609(b)(17))
- Payments made by or authorized by a State Medicaid agency to enable a family member who has a disability to reside in the family's assisted unit (24 CFR 5.609(b)(19))

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. [24 CFR 5.609(b)(3)(iii)].

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(b)(3)(iv)].

SHA Policy

In order for SHA to exclude income while a participant is enrolled in a training program, SHA must ascertain that the income is earned from a qualified state or local employment training program. This rule applies to applicants, public housing residents and HCV participants. The Department of Housing and Urban Development (HUD) allows for the exemption of income based on very specific guidelines.

According to the HUD Code of Federal Regulations 24 CFR 5.609(c), annual income does not include the following:

- "Amounts received under training programs that are funded by HUD;" or
- "Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs. 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 which the family member participates in the employment training program."

In order for the HCV Program to exempt training program income:

- The training program must provide a current statement of goals and objectives to be attained through participation in the program and a specific timeline for such accomplishments; and
- Ongoing training program participation must be a condition of the job placement. There must be a determination that the participant would not earn the same income in the job placement if they did not participate in the training program.

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; STREAMLINING FINAL RULE (SFR) FEDERAL REGISTER 3/8/16]

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
Effective 1/1/2024, new participants in the Earned Income Disallowance are no longer accepted by HUD. Active participants will continue in the program as described below.

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)].

  SHA Policy
  SHA's JobLink program is considered a self-sufficiency program for the purposes of determining eligibility for EID.

- 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 their "baseline income." The family member's baseline income is their income immediately prior to qualifying for the EID. The family member's baseline income remains constant throughout the period that they are 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.

SHA Policy

The earned income exclusion will be reported on the HUD Form 50058. Documentation will be included in the family's file to show the reason for the reduced increase in rent. Such documentation will include:

- Date the increase in earned income was reported by the family;
- Name of the family member whose earned income increased;
- Reason (new employment, participation in job training program, within six months after receiving TANF) for the increase in earned income;
- Amount of the increase in earned income (amount to be excluded);
- Date the increase in income is first excluded from annual income;
- Date the 12-month phase-in period began; and
- Ending date of the maximum 24-month (2-year) disallowance period (24 months from the date of the initial earned income disallowance).

SHA will maintain a tracking system to ensure correct application of the earned income disallowance.

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.

SHA 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.

SHA Policy

During the 48-month eligibility period, SHA 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 their 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.

SHA Policy

During the 12-month period beginning on the date a disabled family member is employed, any increase in income received by a disabled family member as a result of employment will be excluded from the annual income of a qualified family.

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.

SHA Policy

During the second 12-month period after the expiration of the initial 12-month period referred to above, 50 percent of any increase in income of a disabled family member as a result of employment of that family member shall be excluded from the annual income of a qualified family. The increase shall be measured from the date immediately prior to the beginning of such employment.

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].

SHA Policy

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

Business Expansion

HUD regulations do not permit the PHA to deduct from gross income expenses for business expansion.

SHA 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 the PHA to deduct from gross income the amortization of capital indebtedness.

SHA Policy

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

Negative Business Income
If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

Withdrawal of Cash or Assets from a Business
HUD regulations require the PHA 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.

SHA 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, SHA 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

SHA 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 [24 CFR 5.609(B)(3); 24 CFR 5.603(B)]

Overview
There is no asset limitation for participation in the HCV program. However, HUD requires that the PHA include in annual income the anticipated "interest, dividends, and other net income of any kind from real or personal property" [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the PHA must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined
- How income from the asset will be calculated

Exhibit 6-1 provides the regulatory requirements for calculating income from assets [24 CFR 5.609(b)(3)], and Exhibit 6-3 provides the regulatory definition of *net family assets*. This section begins with a discussion of general policies related to assets and then provides HUD rules and PHA policies related to each type of asset.

General Policies

SHA Policy

MTW participants may self-certify household assets if they total less than $50,000. If total household assets are less than $50,000, then no income from those assets will need to be calculated and included in household income and SHA will not need to verify and report any assets for that household (MTW 10.H.12).

Income from Assets
The PHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes the PHA to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) SHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income but the property is currently vacant, the PHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

SHA Policy

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

Valuing Assets

The calculation of asset income sometimes requires the PHA to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth in the market (e.g., the amount a buyer would pay for real estate or the total value of an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

SHA Policy

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28].

Lump-Sum Receipts

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account) [RHIIP FAQs]. (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.)

Imputing Income from Assets [24 CFR 5.609(b)(3), Notice PIH 2012-29]

When net family assets are $50,000 or less, the PHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of $5,000, the PHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by an average passbook savings rate as determined by the PHA.

- Note: The HUD field office no longer provides an interest rate for imputed asset income. The "safe harbor" is now for the PHA to establish a passbook rate within 0.75 percent of a national average.
- The PHA must review its passbook rate annually to ensure that it remains within 0.75 percent of the national average.

SHA Policy

MTW Participants:

When the family has net family assets in excess of $50,000, SHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current HUD-established passbook savings rate (MTW 10.H.12).

Determining Actual Anticipated Income from Assets

It may or may not be necessary for the PHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental

amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

Withdrawal of Cash or Liquidation of Investments

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement investment plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement investment plan.

Jointly Owned Assets

The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes "amounts derived (during the 12-month period) from assets to which any member of the family has access."

SHA Policy

If an asset is owned by more than one person and any family member has unrestricted access to the asset, SHA will count the full value of the asset. A family member has unrestricted access to an asset when they can legally dispose of the asset without the consent of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, SHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, SHA will prorate the asset evenly among all owners.

Assets Disposed of for Less than Fair Market Value [24 CFR 5.603(b)]

HUD regulations require the PHA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

Minimum Threshold

The *HCV Guidebook* permits the PHA to set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

SHA Policy

SHA must count assets disposed of for less than fair market value during the two years preceding certification or re-examination. SHA will count the difference between the market value and the actual payment received in calculating total assets.

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

SHA's minimum threshold for counting assets disposed of for less than fair market value is $50,000 (MTW 10.H.12). If the total value of assets disposed of within a one-year period is less than $1,000, they will not be considered an asset.

Separation or Divorce

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

SHA Policy

Assets disposed of as a result of a divorce or separation are not considered to be assets disposed of for less than fair market value. In order to qualify for this exemption, a family member

must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

Family Declaration

SHA Policy

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. SHA may verify the value of the assets disposed of if other information available to SHA does not appear to agree with the information reported by the family.

Types of Assets

Checking and Savings Accounts

For regular checking accounts and savings accounts, "*cash value"* has the same meaning as "*market value"*. If a checking account does not bear interest, the anticipated income from the account is zero.

SHA Policy

For accounts valued over $50,000:

In determining the value of a checking account, SHA will use the average monthly balance for the last six months.

In determining the value of a savings account, SHA will use the current balance.

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

Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

SHA Policy

For accounts valued over $50,000:

In determining the market value of an investment account, SHA will use the value of the account on the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), SHA will calculate asset income based on the earnings for the most recent reporting period.

Equity in Real Property or Other Capital Investments

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25].

SHA Policy

In determining the equity, SHA will determine market value by examining recent sales of at least three properties in the surrounding or similar neighborhood that possess comparable factors that affect market value.

SHA will first use the payoff amount for the loan (mortgage) as the unpaid balance to calculate equity. If the payoff amount is not available, SHA will use the basic loan balance information to deduct from the market value in the equity calculation.

Equity in real property and other capital investments is considered in the calculation of asset income **except** for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR5.603(b)]
- The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first 10 years after the purchase date of the home [24 CFR 5.603(b), Notice PIH 2012-3]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

The PHA must also deduct from the equity the reasonable costs for converting the asset to cash. Using the formula for calculating equity specified above, the net cash value of real property is the market value of the loan (mortgage) minus the expenses to convert to cash [Notice PIH 2012-3].

SHA Policy

SHA will require the information necessary to determine the current cash value of the family's assets (the net amount the family would receive if the asset were converted to cash).

For the purposes of calculating expenses to convert to cash for real property, SHA will use ten percent of the market value of the home.

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

SHA Policy

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset if valued at or over $50,000 unless SHA determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

Trusts

A "*trust"* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

SHA Policy

The policy on Trusts only applies to those valued at $50,000 or more.

Revocable Trusts

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset [HCV GB, p. 5-25]. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

Nonrevocable Trusts

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump-sum receipts are discussed earlier in this section.)

Retirement Accounts

Company Retirement/Pension Accounts

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the PHA must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26].

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

IRA, Keogh, and Similar Retirement Savings Accounts

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

SHA Policy

The policy on Retirement Accounts only applies to those valued at $50,000 or more.

Personal Property

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

SHA Policy

In determining the value of personal property held as an investment, SHA will use the family's estimate of the value. SHA may obtain an appraisal to confirm the value of the asset if there is reason to believe that the family's estimated value is off by 10% or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

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

This only applies to personal property valued at or over $50,000.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

SHA Policy

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

This only applies to personal property valued at or over $50,000.

Life Insurance

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

6-I H. PERIODIC PAYMENTS

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

Periodic Payments Included in Annual Income

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14].

Lump-Sum Payments for the Delayed Start of a Periodic Payment

Most lump-sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income. Additionally, any deferred disability benefits that are received in a lump-sum or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income [24 CFR 5.609(c)(14)].

SHA Policy

When a delayed-start payment is not received and reported during the period in which SHA is processing an annual reexamination, SHA will enter into a payment agreement with the family.

Treatment of Overpayment Deductions from Social Security Benefits

The PHA must make a special calculation of annual income when the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from their benefit amount until the overpayment is paid in full. The amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. Regardless of the amount withheld or the length of the withholding period, the PHA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH 2012-10].

Periodic Payments Excluded from Annual Income

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) [24 CFR 5.609(c)(2)]. Kinship guardianship assistance payments (Kin-GAP) and other similar guardianship payments are treated the same as foster care payments and are likewise excluded from annual income [Notice PIH 2012-1].

SHA Policy

SHA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].

- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)].
- Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)].
- Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)].
- Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)]. *Note:* EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.
- Lump-sums received as a result of delays in processing Social Security and SSI payments (see section 6-I.H.) [24 CFR 5.609(c)(14)].
- Lump-sums or prospective monthly amounts received as deferred disability benefits from the Department of Veterans Affairs (VA) [24 CFR 5.609(c)(14)].

6-I I. PAYMENTS IN LIEU OF EARNINGS

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c)(3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)

6-I J. WELFARE ASSISTANCE

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].

Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

The PHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-5. The requirements are summarized below. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

Covered Families

The families covered by 24 CFR 5.615 are those "who receive welfare assistance or other public assistance benefits ('welfare benefits') from a State or other public agency ('welfare agency') under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance" [24 CFR 5.615(b)]

Imputed Income

When a welfare agency imposes a sanction that reduces a family's welfare income because the family commits fraud or fails to comply with the agency's economic self-sufficiency program or work activities requirement, the PHA must include in annual income "imputed" welfare income. The PHA must request that the welfare agency provide the reason for the reduction of benefits and the amount of the reduction of benefits. The imputed welfare income is the amount that the benefits were reduced as a result of the sanction.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work

activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

SHA Policy

The amount of imputed welfare income is determined by SHA, based on written information supplied to SHA by the welfare agency, including:

- The amount of the benefit reduction;
- The term of the benefit reduction;
- The reason for the reduction; and
- Subsequent changes in the term or amount of the benefit reduction.

If the family disputes the amount of imputed income, SHA will review the calculation for accuracy.

If SHA denies the family's request to modify the amount, SHA will provide the tenant with a notice of denial, which will include:

- An explanation for SHA's determination of the amount of imputed welfare income;
- A statement that the tenant may request an informal hearing; and
- A statement that the grievance information received from the welfare agency cannot be disputed at the informal hearing, and the issue to be examined at the informal hearing will be SHA's determination of the amount of imputed welfare income, not the welfare agency's determination to sanction the welfare benefits.

Offsets

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

Cooperation Agreement

SHA Policy

SHA has a cooperation agreement in place with the local welfare agency, which assists SHA in obtaining the necessary information regarding welfare sanctions.

SHA has taken a proactive approach to promoting an effective working relationship between SHA and the local welfare agency for the purpose of targeting economic self-sufficiency programs throughout the community that are available to Housing Choice Voucher and public housing residents.

6-I K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(B)(7)]

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with an assisted family.

Alimony and Child Support

The PHA must count alimony or child support amounts awarded as part of a divorce or separation agreement.

SHA Policy

Regular alimony and child support payments are counted as income for calculation of Total Tenant Payment.

SHA will count court-awarded amounts for alimony and child support unless SHA verifies that: (1) the payments are not being made, and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47].

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

Regular Contributions or Gifts

The PHA must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with an assisted family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].

SHA Policy

Regular contributions and gifts received from persons outside the household are counted as income for calculation of the Total Tenant Payment.

Examples of regular contributions include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by the PHA. For contributions that may vary from month to month (e.g., utility payments), the PHA will include an average amount based upon past history.

6-I L. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(B)(9); NOTICE PIH 2015-21]

In 2005, Congress passed a law (for Section 8 programs only) requiring that certain student financial assistance be included in annual income. Prior to that, the full amount of student financial assistance was excluded. For some students, the full exclusion still applies.

Student Financial Assistance Included in Annual Income [24 CFR 5.609(b)(9); FR 4/10/06; Notice PIH 2015-21]

The regulation requiring the inclusion of certain student financial assistance applies only to students who satisfy all of the following conditions:

- They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.
- They are seeking or receiving Section 8 assistance on their own—that is, apart from their parents—through the HCV program, the project-based voucher program, or the moderate rehabilitation program.
- They are under 24 years of age **OR** they have no dependent children.

For students who satisfy these three conditions, any financial assistance in excess of tuition and any other required fees and charges received: (1) under the 1965 HEA, (2) from a private source, or (3) from an institution of higher education, as defined under the 1965 HEA, must be included in annual income.

To determine annual income in accordance with the above requirements, the PHA will use the definitions of "*dependent child", "institution of higher education",* and "*parents"* in section 3-II. E, along with the following definitions [FR 4/10/06, pp. 18148-18150]:

- *"Assistance under the Higher Education Act of 1965"* includes Pell Grants, Federal Supplement Educational Opportunity Grants, Academic Achievement Incentive Scholarships, State

Assistance under the Leveraging Educational Assistance Partnership Program, the Robert G. Byrd Honors Scholarship Program, and Federal Work Study programs.

- *"Assistance from private sources"* means assistance from nongovernmental sources, including parents, guardians, and other persons not residing with the student in an HCV assisted unit.
- *"Tuition 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 charges.

Student Financial Assistance Excluded from Annual Income [24 CFR 5.609(c)(6)]

Any student financial assistance not subject to inclusion under 24 CFR 5.609(b)(9) is fully excluded from annual income under 24 CFR 5.609(c)(6), whether it is paid directly to the student or to the educational institution the student is attending. This includes any financial assistance received by:

- Students residing with parents who are seeking or receiving Section 8 assistance
- Students who are enrolled in an educational institution that does **not** meet the 1965 HEA definition of *institution of higher education*
- Students who are over 23 **AND** have at least one dependent child, as defined in section 3II.E
- Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.

SHA Policy

Financial aid, scholarships and grants received by students are not counted toward family income for eligibility or rent calculation, and Seattle Housing is not required to verify financial aid income (MTW 10.H.15).

6-I M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the following:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
- Adoption assistance payments in excess of $480 per adopted child [24 CFR 5.609(c)(12)]
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]

- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17), 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 submarginal 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 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

Part II: Adjusted Income

6-II A. INTRODUCTION

Overview

HUD regulations require PHAs 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 [PHA] must deduct the following amounts from annual income:

1. $480 for each dependent;
2. $400 for any elderly family or disabled family;
3. The sum of the following, to the extent the sum exceeds three percent of annual income:
    i. Unreimbursed medical expenses of any elderly family or disabled family;
    ii. Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
4. Any reasonable child care expenses (for children under 13 years of age) necessary to enable a member of the family to be employed, actively seek employment, or to further their education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

Anticipating Expenses

SHA Policy

Generally, SHA 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), SHA will estimate costs based on historic data and known future costs.

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

6-II B. DEPENDENT DEDUCTION

An allowance of $480 is deducted from annual income for each dependent [24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

6-II C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of $400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An *elderly family* is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].

6-II D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(A)(3)(I)]

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

The medical expense deduction is permitted only for families in which the head, spouse, or cohead is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].

Definition of Medical Expenses (PIH 2023-27)

HUD regulations define *medical expenses* at 24 CFR 5.603(b) to mean "costs incurred for the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed."

Families That Qualify for Both Medical and Disability Assistance Expenses

SHA Policy

This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, SHA 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.

SHA 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, SHA 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 SHA 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 PHAs to further define and describe auxiliary apparatus [VG, p. 30].

Eligible Auxiliary Apparatus

SHA 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.

SHA 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, SHA 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.

SHA Policy

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

SHA Policy

This policy applies only to families in which the head, or spouse, or cohead is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, SHA 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 their 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

SHA Policy

"Eligible activities" are those that are necessary to enable a household member to work, seek employment, or further their education (academic or vocational).

In the case of a school-age child attending private school, only after-hours care or activities during school holidays can be counted as child care expenses.

Earned Income Limit on Child Care Expense Deduction

When a family member looks for work or furthers their education, there is no cap on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when

child care enables a family member to work, the deduction is capped by "the amount of employment income that is included in annual income" [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

When the person who is enabled to work is a person with disabilities who receives the earned income disallowance (EID) or a full-time student whose earned income above $480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes $15,000 but because of the EID only $5,000 is included in annual income, child care expenses are limited to $5,000.

The PHA 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 [HCV GB, p. 5-30].

SHA 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, SHA generally will limit allowable child care expenses to the earned income of the highest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

Eligible Child Care Expenses

The type of care to be provided is determined by the assisted family. The PHA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].

Allowable Child Care Activities

SHA 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, SHA 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 their education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

SHA 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.

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 of $50 that is established by the PHA

SHA 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]

SHA Policy

Welfare rent does not apply in this locality.

Minimum Rent [24 CFR 5.630]

SHA Policy

Minimum rent is $50. Minimum rent, in the HCV Program, refers to the Total Tenant Payment and includes the combined amount a family pays towards rent and/or utilities.

The minimum rent applies to all participants of the SHA Housing Choice Voucher Program except Veteran Affairs Supportive Housing (VASH) and Emergency Housing Voucher (EHV) participants, for whom a minimum rent of $0 will be applied, and residents of certain properties assisted by Project-based vouchers, as further described in Chapter 17.

Family Share [24 CFR 982.305(a)(5)]

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds the PHA's applicable payment standard: (1) the family will pay more than the TTP, and (2) at initial occupancy the PHA 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.)

SHA Policy

SHA may approve a tenancy if the family share is less than or equal to 40 percent of the family's gross income (including exempt income) (MTW 10.H.01 and 10.H.02).

PHA Subsidy [24 CFR 982.505(b)]

The PHA 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); 982.514(c)]
When the PHA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. HUD permits the PHA to pay the reimbursement to the family or directly to the utility provider.

SHA Policy
SHA will make utility reimbursements to the family.

The PHA may make all utility reimbursement payments to qualifying families on a monthly basis or may make quarterly payments when the monthly reimbursement amount is $15.00 or less. Reimbursements must be made once per calendar-year quarter and must be prorated if the family leaves the program in advance of its next quarterly reimbursement. The PHA must also adopt hardship policies for families for whom receiving quarterly reimbursement would create a financial hardship.

SHA Policy
SHA will issue all utility reimbursements monthly.

6-III B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]

Overview
The PHA 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 the PHA 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:

1. The household has lost federal, state or local government assistance or is waiting for an eligibility determination. 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

   SHA 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 and no income was received into the household the previous month. 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.

   SHA 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. The household income has decreased due to a change in circumstances, such as loss of employment.

   SHA Policy
   A family to qualifies under this provision if no income was received into the household the previous month.

4. A recent death in the immediate family has occurred.

SHA Policy

A family qualifies under this provision if no income was received into the household the previous month.

5. The family has experienced other circumstances determined by the PHA.

SHA Policy

Additional criteria:

The out-of-pocket medical expenses equal or exceed 50% of the gross household income and calculated rent, minus utility estimate if applicable, would be less than $50.

Implementation of Hardship Exemption

Determination of Hardship

When a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the first of the month following the family's request.

The PHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

SHA Policy

SHA shall promptly make a determination whether the hardship is short-term or long-term. If SHA determines that the hardship is short-term, it may grant a temporary hardship waiver for up to 90 days. 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 SHA has established a minimum rent of $50.			
Family Share – No Hardship		**Family Share – With Hardship**	
$0	30% of monthly adjusted income	$0	30% of monthly adjusted income
$15	10% of monthly gross income	$15	10% of monthly gross income
N/A	Welfare rent	N/A	Welfare rent
$50	Minimum rent	$50	Minimum rent
Minimum rent applies. TTP = $50		Hardship exemption granted. TTP = $15	

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.

SHA Policy

SHA will make the determination of hardship within 30 calendar days.

No Financial Hardship

If the PHA determines there is no financial hardship, the PHA will reinstate the minimum rent and require the family to repay the amounts suspended.

SHA Policy

SHA will require the family to repay the suspended amount within 30 calendar days

Temporary Hardship

If the PHA determines that a qualifying financial hardship is temporary, the PHA 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 the PHA to offer a reasonable repayment agreement, on terms and conditions established by the PHA. The PHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

SHA Policy

SHA will enter into a repayment agreement in accordance with the procedures found in Chapter 16 of this plan.

SHA's notice that a hardship exemption has not been granted.

Long-Term Hardship

If the PHA determines that the financial hardship is long-term, the PHA 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.

SHA 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

The payment standard is used to calculate the Housing Assistance Payment for a family.

"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 SHA's subsidy standards [24 CFR 982.4(b)], or (2) the payment standard for the size of the dwelling unit rented by the family.

If the PHA has established an exception payment standard for a designated part of a zip code area or FMR area and a family's unit is located in the exception area, the PHA must use the appropriate payment standard for the exception area.

The PHA 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 [HCV GB, p. 7-8].

Changes in Payment Standards
When the PHA 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.

Decreases
If the PHA changes its payment standard schedule, resulting in a lower payment standard amount, during the term of a HAP contract, the PHA is not required to reduce the payment standard used to calculate subsidy for families under HAP contract as long as the HAP contract remains in effect [FR Notice 11/16/16].

However, if the PHA does choose to reduce the payment standard for families currently under HAP contract, the initial reduction to the payment standard may not be applied any earlier than the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard amount. At that point, the PHA may either reduce the payment standard to the current amount in effect on the PHA's payment standard schedule, or may reduce the payment standard to another amount that is higher than the normally applicable amount on the schedule. The PHA may also establish different policies for designated areas within their jurisdiction (e.g., different zip code areas).

In any case, the PHA must provide the family with at least 12 months' notice that the payment standard is being reduced before the effective date of the change. The PHA's policy on decreases in the payment standard during the term of the HAP contract apply to all families under HAP contract at the time of the effective date of the decrease in the payment standard within the designated area.

SHA Policy

If SHA changes its payment standard schedule resulting in a lower payment standard amount, during the term of a HAP contract, SHA will not reduce the payment standard used to calculate subsidy for families under HAP contract as long as the HAP contract remains in effect.

SHA will not establish different policies for decreases in the payment standard for designated areas within their jurisdiction

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 [HCV GB, p. 7-8].

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, the PHA is allowed to establish a higher payment standard for the family of not more than 120 percent of the published FMR.

SHA Policy

SHA may provide an accommodation payment standard for persons with disabilities under the following circumstances:

1. The family requests the accommodation in writing; and
2. The family provides verification of the disability meeting the standards described in Chapter 1, and the verification includes verification that the need for the higher payment standard is related to the disability.

The accommodation payment standard shall be established within the basic range, unless an increase beyond the basic range is approved by the SHA Board of Commissioners.

6-III D. APPLYING UTILITY ALLOWANCES [24 CFR 982.517]

Overview

An PHA-established utility allowance schedule is used in determining family share and PHA subsidy. A family's utility allowance is determined by the size of dwelling unit leased by a family or the voucher unit size for which the family qualifies using PHA subsidy standards, whichever is the lowest of the two. See Chapter 5 for information on the PHA's subsidy standards.

For policies on establishing and updating utility allowances, see Chapter 16.

Reasonable Accommodation

HCV program regulations require the PHA to approve a utility allowance amount higher than shown on the PHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the PHA will approve an allowance for air-conditioning, even if the PHA has determined that an allowance for air-conditioning generally is not needed.

The family must request the higher allowance and provide the PHA 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, the PHA must use the PHA current utility allowance schedule [HCV GB, p. 18-8].

SHA 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. The PHA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, if the PHA subsidy for a family is calculated at $500 and two of four family members are ineligible, the PHA 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

[1] Text of 45 CFR 260.31 follows.

assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section)

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, “financial assistance” does not include loan proceeds for the purpose of determining income.

HHS DEFINITION OF "ASSISTANCE"

45 CFR: GENERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

260.31 What does the term “assistance” mean?

(a)(1) The term “assistance” includes cash, payments, vouchers, and other forms of benefits designed to meet a family’s ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.

(b) [The definition of “assistance”] excludes: (1) Nonrecurrent, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance.

EXHIBIT 6-2: ANNUAL INCOME EXCLUSIONS

24 CFR 5.609

(c) *Annual income does not include the following:*

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);

(4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

(5) Income of a live-in aide, as defined in Sec. 5.403;

(6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

(8) (i) Amounts received under training programs funded by HUD;

(ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

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

(v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

(11) Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of $480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or prospective monthly amounts.

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See Section 6-I.M. for a list of benefits that qualify for this exclusion.]

EXHIBIT 6-3: TREATMENT OF FAMILY ASSETS

24 CFR 5.603(b) Net Family Assets

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

EXHIBIT 6-4: EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES

24 CFR 5.617 Self-sufficiency incentives for persons with disabilities–Disallowance of increase in annual income.

(a) *Applicable programs.* The disallowance of earned income provided by this section is applicable only to the following programs: HOME Investment Partnerships Program (24

CFR part 92); Housing Opportunities for Persons with AIDS (24 CFR part 574); Supportive Housing Program (24 CFR part 583); and the Housing Choice Voucher Program (24 CFR part 982).

(b) *Definitions.* The following definitions apply for purposes of this section.

Baseline income. The annual income immediately prior to implementation of the disallowance described in paragraph (c)(1) of this section of a person with disabilities (who is a member of a qualified family).

Disallowance. Exclusion from annual income.

Previously unemployed includes a person with disabilities who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Qualified family. A family residing in housing assisted under one of the programs listed in paragraph (a) of this section or receiving tenant-based rental assistance under one of the programs listed in paragraph (a) of this section.

(1) Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;

(2) Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or

(3) Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance-- provided that the total amount over a six-month period is at least $500.

(c) *Disallowance of increase in annual income—*

(1) *Initial twelve month exclusion.* During the 12-month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the responsible entity must exclude from annual income (as defined in the regulations governing the applicable program listed in paragraph (a) of this section) of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member.

(2) *Second twelve month exclusion and phase-in.* Upon expiration of the 12-month period defined in paragraph (c)(1) of this section and for the subsequent 12-month period, the responsible entity must exclude from annual income of a qualified family at least 50 percent of any increase in income of such family member as a result of employment over the family member's baseline income.

(3) *Maximum 2-year disallowance.* The disallowance of increased income of an individual family member who is a person with disabilities as provided in paragraph (c)(1) or (c)(2) of this section is limited to a lifetime 24-month period. The disallowance applies for a maximum of 12 months for disallowance under paragraph (c)(1) of this section and a maximum of 12 months for disallowance under paragraph (c)(2) of this section, during the 24- month period starting from the initial exclusion under paragraph (c)(1) of this section.

(4) *Effect of changes on currently participating families.* Families eligible for and participating in the disallowance of earned income under this section prior to *May 9, 2016* will continue to be governed by this section in effect as it existed immediately prior to that date (see 24 CFR parts 0 to 199, revised as of April 1, 2016).

(d) *Inapplicability to admission.* The disallowance of increases in income as a result of employment of persons with disabilities under this section does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

EXHIBIT 6-5: 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 the PHA 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 PHA, the welfare agency will inform the PHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the PHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The PHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the PHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the PHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The PHA 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 PHA decision.*

(1) Public housing. If a public housing tenant claims that the PHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the tenant written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. The PHA notice shall also state that if the tenant does not agree with the PHA determination, the tenant may request a grievance hearing in accordance with part 966,

subpart B of this title to review the PHA 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 the PHA 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 the PHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the family written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the PHA determination, the family may request an informal hearing on the determination under the PHA hearing procedure.

(e) *PHA relation with welfare agency.*

(1) The PHA must ask welfare agencies to inform the PHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the PHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The PHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the PHA. However, the PHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The PHA shall be entitled to rely on the welfare agency notice to the PHA of the welfare agency's determination of a specified welfare benefits reduction.

Chapter 7: Verification

The PHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain written authorization from the family in order to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The PHA must not pass on the cost of verification to the family.

The PHA will follow the verification guidance provided by HUD in Notice PIH 2017-12 and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary the PHA policies.

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 SHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information [24 CFR 982.551].

Consent Forms

It is required that all adult applicants and participants sign a Release of Information form. The purpose of this form 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). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, SHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with SHA procedures and the policies in Chapter 16 of this plan.

7-I B. OVERVIEW OF VERIFICATION REQUIREMENTS

HUD's Verification Hierarchy [Notice PIH 2017-12]

HUD mandates the use of the EIV system and offers administrative guidance on the use of other methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the PHA to use the most reliable form of verification that is available and to document the reasons when the PHA uses a lesser form of verification.

In order of priority, the forms of verification that the PHA will use are:

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

Each of the verification methods is discussed in subsequent sections below.

Requirements for Acceptable Documents

SHA Policy

Seattle Housing will allow two weeks for return of third-party verification forms, and two weeks to obtain other types of verifications before going to the next method. Seattle Housing will document the file as to why the previous verification level was not used.

For voucher issuances, verifications may not be more than 180 days old. Seattle Housing exercises Move to Work authority to increase this timeframe from the 60 days cited in 24 CFR 982.201(e)).

For Annual Reviews, upfront verifications may not be more than 120 days old and tenant-supplied verification documents must be current within 90 days of the submission deadline stated in the family's initial notification letter.

Verifications for all other certifications may not be more than 60 days old as of the processing date.

Any documents used for verification must be the original (not photocopies) and the documents must not be damaged, altered or in any way illegible. Printouts from Web pages are considered original documents.

Any family self-certifications must be made in a format acceptable to SHA and must be signed by the family member whose information or status is being verified. .

File Documentation

The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA 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.

SHA Policy

SHA will document, in the family file, the following:

- Reported family annual income
- Value of assets if they total over $50,000
- Expenses related to deductions from annual income
- Other factors influencing adjusted income

When the PHA is unable to obtain third-party verification, the PHA will document in the family file the reason that third-party verification was not available [24 CFR 982.516(a)(2); Notice PIH 2017-12].

7-I C. UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to the PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the PHA.

There may be legitimate differences between the information provided by the family and UIV-generated information. If the family disputes the accuracy of UIV data, no adverse action can be taken 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 the PHA.

See Chapter 6 for the PHA's policy on the use of UIV/EIV to project annual income.

Upfront Income Verification Using HUD's Enterprise Income Verification (EIV) System (Mandatory)

PHAs 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 Reports

The data shown on income reports is updated quarterly. Data may be between 3 and 6 months old at the time reports are generated.

SHA Policy

SHA will obtain income reports for annual reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.

Income 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 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 the presence of 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 reports will be retained in participant files with the applicable annual or interim reexamination documents.

When SHA determines through income 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.

PHAs are required to use EIV's *Identity Verification Report* on a monthly basis to improve the availability of income information in EIV [Notice PIH 2017-12].

When identity verification for a participant fails, a message will be displayed within the EIV system and no income information will be displayed.

SHA Policy

SHA will identify participants whose identity verification has failed by reviewing EIV's *Identity Verification Report* on a monthly basis.

SHA will attempt to resolve PIC/SSA discrepancies by obtaining appropriate documentation from the participant. When SHA determines that discrepancies exist due to SHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

Upfront Income Verification Using Non-HUD Systems (Optional)
In addition to mandatory use of the EIV system, HUD encourages PHAs to utilize other upfront verification sources.

SHA Policy

SHA will inform all applicants and participants of its use of the following UIV resources during the admission and reexamination process:

- HUD's EIV system
- Reports obtained from the State of Washington Department of Employment Security
- The Work Number Web site (www.theworknumber.com), or any other similar data collection Web sites

7-I D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION

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 the PHA by the family. If written third-party verification is not available, the PHA 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 PIH 2017-12]
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.

The PHA is required to obtain, at minimum, two current and consecutive pay stubs for determining annual income from wages.

The PHA 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.

SHA Policy

In the event that non-EIV upfront verification is unavailable, SHA will annotate the file accordingly and utilize documents provided by the family as the primary source of verification, if the documents provide complete information. Written third-party verification documents must be original and authentic and may be supplied by the family or received from a third-party source.

All such documents, excluding any documents that prohibit the viewer from copying them, will be retained in the applicant file. SHA will accept documents from the family provided that the document is such that tampering would be easily noticed.

SHA may accept legible faxed documents and legible photocopies. Faxed documents may require phone confirmation. Staff may compare new documents to historic documents in files.

If SHA determines that third-party documents provided by the family are not acceptable, will explain the reason to the family and request additional documentation.

If upfront verification is received after documents have been accepted as provisional verification, and there is a discrepancy, SHA will utilize a third-party verification form.

Written Third-Party Verification Form
When upfront verification is not available and the family is unable to provide written third-party documents, the PHA 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.

PHAs may mail, fax, or e-mail third-party written verification form requests to third-party sources.

SHA Policy

In general, it is preferable for SHA to mail or fax forms directly to the third-party source. However, when verification forms are returned to Seattle Housing by the family, they will be orally third-party confirmed by SHA staff.

SHA will accept verifications in the form of computerized printouts delivered by the family from the following agencies:

- Social Security Administration;
- Veterans Administration; Department of Social and Health Services;
- Office of Child Support Enforcement;
- Employment Security Department; and
- City or county courts.

Additionally, SHA may accept verifications in the form of computerized printouts delivered by the family for record of:

- Bank Statements
- Statement of Wages

To all extent possible, SHA will not delay the processing of an application or review beyond 10 business days because a third-party information provider does not return the verification in a timely manner.

Oral Third-Party Verification [Notice PIH 2017-12]
For third-party oral verification, PHAs 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.

SHA Policy

SHA staff may also verify wage information directly with the employer when the upfront income verification method is not applicable, and the applicant/participant is unable to produce original/authentic third-party documentation, or the documentation provided appears to be insufficient and/or altered. The family will be required to sign an authorization for the information source to release the specified information.

When third-party oral verification is used, staff will be required to document with whom they spoke, the date of the conversation, and the facts provided. SHA will compare the information to any documents provided by the family. If provided by telephone, Seattle Housing may originate the call.

When any source responds verbally to the initial written request for verification SHA will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

When Third-Party Verification is Not Required [Notice PIH 2017-12]
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.

SHA Policy

If the family cannot provide original documents, SHA will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

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 [HCV GB, p. 5-28].

SHA Policy

SHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value.

Value of Assets and Asset Income [24 CFR 982.516(a)]
For families with net assets totaling $5,000 or less, the PHA may accept the family's declaration of asset value and anticipated asset income. However, the PHA is required to obtain third-party verification of all assets regardless of the amount during the intake process and at least every three years thereafter.

SHA Policy

MTW participants may self-certify household assets if they total less than $50,000. If total household assets are less than $50,000, SHA will not need to verify and report any assets for that household (MTW 10.H.12).

Non-MTW Participants:

For families with net assets totaling $5,000 or less, SHA will accept the family's self-certification of the value of family assets and anticipated asset income when applicable. The family's declaration must show each asset and the amount of income expected from that asset. All family members 18 years of age and older must sign the family's declaration.

SHA will use third-party documentation for assets as part of the intake process, whenever a family member is added if the value of their assets totals more than $5,000 to verify the individual's assets, and every three years thereafter.

7-I E. SELF-CERTIFICATION

Self-certification may be an acceptable form of verification when:

- A source of income is fully excluded
- Net family assets total $50,000 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 recertifications 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.

SHA 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 SHA.

SHA 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 SHA and must be signed by the family member whose information or status is being verified.

Part II: Verifying Family Information

7-II A. VERIFICATION OF LEGAL IDENTITY

SHA Policy

SHA 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	Adoption papers
Church issued baptismal certificate	Custody agreement
U.S. military discharge (DD214)	Certified school records
Current employer identification card	Hospital certificate
A valid or recently expired (60 days) United States driver's license or state ID card	Birth certificate
Current U.S. passport	State Birth Registration Card with the child's full name and birth date
Certificate of U.S. Citizenship (INS Form N-560 or N-561)	State ID card
Certificate of Naturalization (INS Form N-550 or N-570)	DSHS medical coupon that documents the child's birth date and full name or last name and initials (*DSHS has ceased issuing medical coupons with sufficient information for HCV use. Coupons received prior to May 2010 remain acceptable verification to have on file, but the HCV program cannot accept the new medical card that DSHS phased in over April and May 2010, as it does not contain sufficient information for HCV use.)*
Valid foreign passport, with I551 stamp or attached INS Form I-94 indicating unexpired employment authorization	
Permanent Resident Card or Alien Registration Receipt Card with photograph (INS Form I-151 or I-551)	
Valid Reentry Permit (INS Form I-571)	Any valid INS document from the list above that documents the child's name and birth date

Veterans Administration issued photo ID card	

If a document submitted by a family is illegible for any reason or otherwise questionable, more than one of these documents may be required.

If a household certifies its inability to provide one of the above documents due to homelessness, disability, or other significant issue, to avoid creating a potential barrier to that household obtaining housing, SHA may review and accept alternative forms of identification at the discretion of the Occupancy Manager.

Legal identity will be verified for all applicants at the time of eligibility determination and in cases where SHA has reason to doubt the identity of a person representing themselves to be a participant.

7-II B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, NOTICE PIH 2012-10]

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. This includes:
    - The Certificate of Release or Discharge from Active Duty (DD-214);
    - VA-verified Application for Health Benefits (10-10EZ)
    - VA-issued photo identification card

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.

SHA Policy

SHA 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 SHA 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.

SHA Policy

SHA may grant an 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, SHA 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.

SHA Policy

SHA may grant an 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.

SHA Policy

SHA 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.

SHA Policy

SHA 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

If an applicant or addition to a participant household is able to disclose the Social Security Number but cannot meet the documentation requirements, the applicant or addition cannot be admitted to the program. (Existing program participants as of January 31, 2010 who have previously disclosed a valid SSN or who are 62 years of age or older and have not previously disclosed a valid SSN are exempt from these disclosure requirements. [HUD Notice PIH 2010-3])

If the family member states they have not been issued a number and is a member of a household whose other member(s) can provide verification of their SSN, the family member will be required

to sign a certification to this effect. Seattle Housing will obtain a HUD issued alternate ID to use until the Social Security number is obtained.

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.

SHA Policy

Once an individual's status is classified as "verified" in HUD's EIV system, SHA 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.

SHA Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, SHA 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.

SHA Policy

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Self-certification by the head of household normally is sufficient verification of family relationships.

Marriage

SHA Policy

Certification by the head of household is normally sufficient verification. If SHA has reasonable doubts about a marital relationship, SHA 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

SHA Policy

Certification by the head of household is normally sufficient verification. If SHA has reasonable doubts about a separation or divorce, SHA will require the family to provide documentation of 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.

Verification of parent or guardian relationship:

SHA Policy

The following documentation may provide documentation of parental or guardian relationship.

- Birth Certificates or hospital verification of birth;
- Baptismal Certificates where the names of the parent(s) and the birth date are noted;
- Official court paperwork of custody assignment or adoption decree; or
- Court-ordered assignment.

Foster Children and Foster Adults

PHA Policy

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

Verification of Permanent Absence of Family Member

SHA Policy

If an adult member who was formerly a member of the household is reported permanently absent by the family, the Head of Household may self-certify their absence. If additional verification is needed, such as with Head of Household absence and other situations, SHA will consider any of the following:

- Order of protection/restraining order is obtained by one family member against another;
- Proof of another home address is provided, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement, if available;
- Family provides statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location;
- If the adult family member is incarcerated, a document from the court or correctional facility should be obtained stating how long they will be incarcerated; or
- As a last resort, if no other proof can be provided, Seattle Housing will accept a self-certification from the head of household, or the spouse or co-head if the head is the absent member.

Verification of Change in Family Composition

SHA Policy

Seattle Housing may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school or DMV records, and other sources.

7-II E. VERIFICATION OF STUDENT STATUS

General Requirements

SHA Policy

SHA 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 reports full-time student status for an adult other than the head, spouse, or cohead.
- The family reports child care expenses to enable a family member to further their education.
- The family includes a student enrolled in an *institution of higher 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.

SHA Policy

In accordance with the verification hierarchy described in section 7-1. B, SHA 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 SHA cannot verify at least one of these exemption criteria, SHA 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, SHA will then proceed to verify either the student's parents' income eligibility (see section 7-III.J) or the student's independence from their parents (see below).

Independent Student

SHA Policy

SHA will verify a student's independence from their 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 their 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 SHA determines that the student is a *vulnerable youth* (see section 3-II. E)

7-II F. DOCUMENTATION OF DISABILITY

The PHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The PHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA will not place this information in the tenant file. Under no circumstances will the

PHA 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 http://www.hhs.gov/ocr/privacy/.

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]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

Family Members Receiving SSA Disability Benefits

Verification of the receipt of disability benefits from the Social Security Administration (SSA) is sufficient verification of disability for the purpose of qualifying for waiting list preferences (if applicable) or certain income disallowances and deductions [VG, p. 23].

SHA Policy

For family members claiming disability who receive disability benefits from the SSA, SHA will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system. If documentation from HUD's EIV System is not available, SHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status. If the family is unable to provide the document(s), SHA 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 or participant receives the benefit verification letter, they will be required to provide it to SHA.

Family Members Not Receiving SSA Disability Benefits

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 5.403.

SHA Policy

For family members claiming disability who do not receive disability benefits 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

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of the categories specified by the regulations and must certify their status through US Department of Homeland Security, US Citizenship and Immigration Services.

Each family member must declare their status once. A household cannot be admitted to the program until all members who declare to have eligible immigration status provide verification of their status. However,

assistance cannot be delayed, denied, or terminated while confirmation from the Department of Homeland Security (DHS) of eligible status is pending.

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. Seattle Housing will not require citizens to provide documentation of citizenship other than their certification on Seattle Housing's Declaration of Citizenship form.

The PHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

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 7-1 at the end of this chapter summarizes documents family members must provide.

PHA 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, the PHA 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.

SHA Policy

Non-Citizens with Eligible Immigration Status must sign a declaration of status and verification consent form and provide their original immigration documents. SHA retain a copy of the document. SHA verifies the status through the DHS SAVE system. If this primary verification fails to verify status, SHA must request within 10 days that the DHS conduct a manual search.

7-II H. VERIFICATION OF PREFERENCE STATUS

The PHA must verify any preferences claimed by an applicant that determined placement on the waiting list.

SHA Policy

SHA will verify all preference claims at the time of the eligibility determination. If the preference verification indicates that an applicant does not qualify for the preference at the time of the eligibility determination, the applicant will be returned to the waiting list without the preference but with the same sequence date, until such time as SHA is able to consider second priority applicants.

If SHA denies a preference, SHA will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for a meeting with the HCV Issuance Manager. If the preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the applicant will be placed on the waiting list without benefit of the

preference. Applicants may exercise other rights if they believe they have been discriminated against.

Appeals of the HCV Issuance Manager decision not to grant a preference may be made in writing to the HCV Deputy Director, who will make the final decision. If the applicant falsifies documents or makes false statements in order to qualify for a preference, they will be removed from the waiting list and may not reapply.

Extremely Low-Income Families
The family's gross annual income (i.e., all forms of income received by the family prior to any deductions and annualized over a 12-month period) will be obtained by using the income verification methods described earlier in this chapter.

The gross annual income will then be compared to HUD's Extremely Low-Income Limits for the Seattle/Bellevue metropolitan statistical area and adjusted for household size. If the family does not qualify based on the current annualized income, as of the date the application was completed, the gross annual income for the 12-month period prior to the determination of eligibility shall be compared to HUD's current Extremely Low-Income Limits for the Seattle/Bellevue metropolitan statistical area and adjusted for household size.

Verification Of Homelessness
SHA requires written certification by a public or private facility providing shelter, the police, or a case management/transitional housing/housing search or counseling-providing social services agency, certifying that the family either is currently homeless as of the date of the determination of eligibility, or was homeless for a period during the 12-month period prior to the date of the eligibility determination.

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 SHA policies that supplement the general verification procedures specified in Part I of this chapter.

7-III A. EARNED INCOME

Tips

SHA 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 may be required to complete a self-certification form to declare tip income.

Wages

SHA Policy

For wages other than tips, the family must provide two most current months.

7-III B. BUSINESS AND SELF EMPLOYMENT INCOME

SHA Policy

Net Income from a Business
MTW Families: Households may declare up to 30% of gross income as business expenses without further verification (MTW 10.A.02).

In order to calculate the income from a business, SHA will require the family to complete the HCV Self Employment Certification form. If the family claims greater than 30% of gross income as business expenses, the family must submit a copy of their most recent tax return, if one has

previously been filed. SHA will project annual income based on the net amount the family declares unless there is a pattern of under-reporting income established through a review of 2 previous years' IRS and financial documents.

Acceptable IRS and financial documents include the following, in order of preference:

1. IRS Form 1040, including:
    a. Schedule C (Small Business);
    b. Schedule E (Rental Property Income);
    c. Schedule F (Farm Income); and
    d. 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.
2. Audited or unaudited financial statement(s) of the business;
3. Credit report or loan application; and
4. Documents such as manifests, appointment books, cash books, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.

Child Care Business
If an applicant/participant is operating a licensed day care business, income will be verified as with any other business. The family will be required to complete the HCV Self-Employment Certification form.

If the family has filed a tax return, the family will be required to provide it.

7-III C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

For policies governing streamlined income determinations for fixed sources of income, please see Chapter 11.

Social Security/SSI Benefits

To ensure consistency in the determination of annual Social Security and SSI income, PHAs are required to use EIV-reported Social Security and SSI benefit amounts unless the tenant disputes the EIV-reported amount [Notice PIH 2018-24]

SHA Policy

Social Security/SSI Benefits
To verify the SS/SSI benefits of applicants, SHA will request a current (dated within the current benefit year) SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s), SHA will help the applicant request a benefit verification letter from SSA's Web site at www.ssa.gov or ask the family to request one by calling SSA at 1-800-772-1213. Once the applicant has received the benefit verification letter, they will be required to provide it to SHA.

To verify the SS/SSI benefits of participants, SHA will obtain information about social security/SSI benefits through the HUD EIV System and confirm with the participant(s) that the current listed benefit amount is correct. If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, SHA 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) the PHA will help the participant request a benefit verification letter from SSA's Web site at www.ssa.gov or ask the family to request one by calling SSA at 1-800-772-1213. Once the participant has received the benefit verification letter, they will be required to provide it to SHA.

Acceptable methods of verification include the following, in order of preference:

1. EIV;
2. Benefit verification form completed by agency providing the benefits;
3. Award or benefit notification letters prepared and signed by the providing agency; and
4. Computer report electronically obtained or in hard copy.

Unemployment Compensation
The acceptable method of verification is a computer report electronically obtained or in hard copy from unemployment office stating payment dates and amounts.

Welfare Payments or General Assistance
Acceptable method of verification includes the following:

- DSHS Benefit Verification system only;
- This can be clarified with a call to the local CSO.

Verification before Denying a Request to Reduce Rent
SHA will obtain written verification or verbal phone verification from the welfare agency stating that the family's benefits have been reduced due to fraud or non-compliance with welfare agency economic self-sufficiency or work activity requirements before denying the family's request for rent reduction.

SHA will rely on the welfare agency's written notice or verbal phone verification regarding welfare sanctions

7-III D. ALIMONY OR CHILD SUPPORT

SHA Policy

The methods SHA will use to verify alimony and child support payments differ depending on whether the family declares that it receives regular payments.

If the family declares that it ***receives regular payments***, verification will be obtained in the following order of priority:

1. Computerized print-out of support payment history from Office of Support Enforcement;
2. Copy of a separation or settlement agreement or, if not filed with the courts, a Divorce Decree stating amount and type of support and payment schedules; or
3. A letter from the person paying the support, if support agreement has not been filed with the courts.

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:

1. A welfare notice of action showing amounts received by the welfare agency for child support; and
2. A written statement from an attorney certifying that a collection or enforcement action has been filed (only if support agreement was not filed through the courts).
3. A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement 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. SHA needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

SHA Policy

Under MTW, if total household assets are less than $50,000, then families may self-certify, and assets do not need to be verified by SHA; and income from those assets will not be counted in family income for rent calculation purposes (MTW 10.H.12).

For all certifications and re-certifications, SHA will obtain the family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or recertification.

If the family certifies that they have disposed of assets for less than fair market value, verification or certification is required that shows:

- All assets disposed of for less than FMV;
- The date they were disposed of;
- The amount the family received; and
- The market value of the assets at the time of disposition.

Third-party verification will be obtained wherever possible.

7-III F. NET INCOME FROM RENTAL PROPERTY

SHA Policy

Acceptable methods of verification include, in this order:

1. IRS Form 1040, with Schedule E (Rental Income);
2. Copies of latest rent receipts, leases, or other documentation of rent amounts;
3. Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense; and
4. Lessee's written statement verifying rent payments to the family and family's self-certification

7-III G. RETIREMENT ACCOUNTS

SHA Policy

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

The type of original document that will be accepted depends upon the family member’s retirement status.

Before retirement, SHA 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, SHA 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, SHA 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.

HUD guidance on verification of excluded income draws a distinction between income which is fully excluded and income which is only partially excluded.

For fully excluded income, the PHA is **not** required to follow the verification hierarchy, document why third-party verification is not available, or report the income on the 50058. Fully excluded income is defined as income that is entirely excluded from the annual income determination (for example, food stamps, earned income of a minor, or foster care funds) [Notice PIH 2013-04].

PHAs may accept a family's signed application or reexamination form as self-certification of fully excluded income. They do not have to require additional documentation. However, if there is any doubt that a source of income qualifies for full exclusion, PHAs have the option of requiring additional verification.

For partially excluded income, the PHA **is** required to follow the verification hierarchy and all applicable regulations, and to report the income on the 50058. Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income (for example, the income of an adult full-time student, or income excluded under the earned income disallowance).

SHA Policy

SHA will accept the family's self-certification as verification of fully excluded income. SHA may request additional documentation if necessary to document the income source.

SHA will verify the source and amount of partially excluded income as described in Part 1 of this chapter.

7-III I.ZERO ANNUAL INCOME STATUS

SHA Policy

Families claiming to have no income may be required to complete an income interview.

SHA will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, and earnings are not being received by families claiming to have zero annual income.

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 4/10/06].

For students over the age of 23 with dependent children or students residing with parents who are seeking or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income [24 CFR 5.609(c)(6)]. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education (as defined in Exhibit 3-2). Excluded amounts are verified only if, without verification, SHA would not be able to determine whether or to what extent the income is to be excluded (see section 7-III.H).

SHA Policy

Under MTW, student financial assistance is excluded from income when determining rent and eligibility (MTW 10.H.15).

7-III K. PARENTAL INCOME OF STUDENTS SUBJECT TO ELIGIBILITY RESTRICTIONS

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the income of the student's parents must be considered when determining income eligibility, unless the student is determined independent from their parents or a *vulnerable youth* in accordance with PHA policy [24 CFR 5.612, FR Notice 4/10/06, p. 18146, and FR Notice 9/21/16].

This provision does not apply to students residing with parents who are seeking or receiving HCV assistance. It is limited to students who are seeking or receiving assistance on their own, separately from their parents.

SHA Policy

If SHA is required to determine the income eligibility of a student's parents, SHA will request an income declaration and certification of income from the appropriate parent(s) (as determined in section 3-II. E). SHA will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The parents will be required to submit the information directly to SHA. The required information must be submitted (postmarked) within 10 business days of the date of SHA's request or within any extended timeframe approved by SHA.

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

Part IV: Verifying Mandatory Deductions

7-IV A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that the PHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

Dependent Deduction

See Chapter 6 (6-II.B.) for a full discussion of this deduction. The PHA must verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or cohead of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

Elderly/Disabled Family Deduction

See Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. The PHA must verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

7-IV B. MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

SHA Policy

Families requesting an income deduction for medical expenses will be required to submit a certification of expenses documenting the type and amount of the family's out-of-pocket portion of the expense.

SHA will consider eligible medical expenses paid by the household during the twelve-month period prior to the Notice of Annual Review of Eligibility or application date. If the household experiences an increase or decrease in medical expenses between eligibility reviews, Seattle Housing will not conduct an interim review. Items or services that have not yet been paid for, that are covered by insurance, or that someone else paid for, are not eligible.

MTW participants may self-certify medical expenses if they total less than $5,000 per year (MTW 10.H.13).

In all other cases, expenses may be verified by one or more of the methods listed below:

- Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of amounts paid by the household over the previous 12 months.
- Receipts, canceled checks, and printouts for office and prescription co-pays that document the out-of-pocket medical cost incurred by the family for the 12 months previous to the annual notification or application date may be accepted to project annual medical expenses. Seattle Housing may require that the family submit documentation from the healthcare provider that states it is reasonable to assume the health issue is ongoing and will require a similar course of treatment;
- Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family; and
- Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 months. A computer print-out will be accepted. Seattle Housing may also use verification from HUD's Enterprise Income Verification system.
- Copies of payment agreements or most recent invoice to verify payments made on outstanding medical bills that will continue over all or part of the next 12 months; and
- For any transportation-related expense claimed for a medical reason, Seattle Housing will use mileage at the IRS rate for the distance between the subsidized residence and the facility for medical treatment based on provider statements of appointments/visits.

For attendant care:

- A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes;
- Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services;

In addition, SHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

Eligible Household
The medical expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62, or a person with disabilities. The PHA must verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 (7-IV.A.) of this plan.

Qualified Expenses
To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for the PHA'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.

SHA Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source. If expenses are verified through a third party, the third party must certify that the expenses are not paid or reimbursed from any other source.

Expenses Incurred in Past Years

SHA Policy

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

SHA Policy

SHA will accept written third-party documents provided by the family.

If family-provided documents are not available, SHA will provide a third-party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

- Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided; and
- Certification of family and attendant and/or copies of canceled checks family used to make payments.

Auxiliary Apparatus

SHA Policy

Expenses for auxiliary apparatus will be verified through:

- Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus; and

- In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

In addition, SHA will require:

- Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function independently enough to enable another family member to be employed; and
- Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

In all cases where SHA is counting disability assistance expenses as deductions for a family, Seattle Housing will adhere to IRS guidelines regarding permissible and non-permissible medical expenses. Where the IRS guidelines are not sufficiently detailed, as in the case of some expenses allowable for persons with a disability, SHA staff may request a ruling from Seattle Housing's Legal Department as to whether the expenses are required to be considered under applicable law and may also request verification from a medical professional that the medical expenses are necessary and reasonable.

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. SHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work
The PHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

SHA Policy

SHA will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.). This documentation may be provided by the family.

If third-party 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.

SHA Policy

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

7-IV D.CHILD CARE EXPENSES

Policies related to child care expenses are found in Chapter 6 (6-II. F). The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter. In addition, the PHA must verify that:

- The child is eligible for care (12 or younger).
- The costs claimed are not reimbursed.
- The costs enable a family member to work, actively seek work, or further their education.

- 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. SHA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

Unreimbursed Expense
To be eligible for the child care deduction, the costs must not be reimbursed by another source.

SHA Policy

The family (and the care provider) will be required to certify that the child care expenses are not paid or reimbursed to the family from any source.

Pursuing an Eligible Activity
The PHA 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.

SHA Policy

Written verification from the person who receives the payments is required. If the child care provider is an individual, they must provide a statement of the amount they are charging the family for their services.

Verifications must specify the child care provider's name, address, telephone number, Social Security Number or business tax ID number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.

The family's certification must address whether any of those payments have been, or will be, paid or reimbursed by outside sources.

If the family's child care expenses are subsidized, SHA will accept verification of the co- payment the family is responsible for as verification of child care expenses.

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.

SHA Policy

SHA will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II. F).

SHA 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).

SHA 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 childcare costs can be deducted.

SHA Policy

The actual costs the family incurs will be compared with SHA'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, SHA 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 the PHA.

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. Examples of acceptable USCIS documents are listed below.

- 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-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*

- 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-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: National Standards For The Physical Inspection Of Real Estate and Rent Reasonableness Determinations

HUD requires that all units occupied by families receiving Housing Choice Voucher (HCV) and Project Based Voucher (PBV) assistance meet HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) regulations and standards. and permits SHA to establish additional requirements. The use of the term NSPIRE in this plan refers to the combination of both HUD and the PHA established requirements. However, state and local code compliance is not a part of the determination of whether a unit passes the NSPIRE standards.

All units must pass an NSPIRE inspection prior to the approval of a lease (with some exceptions) and at least once every 26 months during the term of the HAP contract, and at other times as needed, to determine that the unit meets NSPIRE. HUD also requires the PHA to determine that rents for units under the program are reasonable when compared to comparable unassisted units in the market area.

This chapter explains HUD and PHA requirements related to physical inspections and rent reasonableness as follows:

> Part I. Physical Standards. This part discusses NSPIRE standards required of units occupied by HCV and PBV-assisted families. It also identifies affirmative habitability requirements for all units and life-threatening conditions that must be corrected in 24 hours. .
>
> Part II. The Inspection Process. This part describes the types of inspections the PHA will make and the steps that will be taken when units do not meet NSPIRE standards..
>
> Part III. Rent Reasonableness Determinations. This part discusses the policies the PHA will use to make rent reasonableness determinations.

Special NSPIRE requirements for homeownership, manufactured homes, and other special housing types are discussed in Chapter 15 to the extent that they apply in this jurisdiction. Special requirements for the PBV and RAD PBV programs (if applicable) are discussed in Chapters 17 and 18, respectively.

Part I: Physical Standards

8-I A. INSPECTABLE AREAS [24 CFR 5.703(A)(1) AND 24 CFR 5.705(A)(2)]

NSPIRE defines the inspectable areas for inspection under the standards as inside, outside and unit. However, the inspection requirement for the HCV and PBV programs only applies to units occupied or to be occupied by HCV or PBV participants and common areas and exterior areas which either service or are associated with such units.

HUD Performance and Acceptability Standards

HUD's performance and acceptability standards for HCV-assisted housing are provided in 24 CFR 5.705. These standards cover the unit, inside, and outside in the following areas:

- Address and Signage
- Bathtub and Shower
- Cabinet and Storage
- Call-for-Aid
- Carbon Monoxide Alarm
- Ceiling
- Chimney
- Clothes Dryer Exhaust Ventilation
- Cooking Appliance
- Door-Entry

- Door-Fire Labeled
- Door-General
- Drain
- Egress
- Electrical-Conductor, Outlet, and Switch
- Electrical-GFCI or AFCI – Outlet or Breaker
- Electrical – Service Panel
- Elevator
- Exit Sign
- Fence and Gate
- Fire Escape
- Fire Extinguisher
- Flammable and Combustible Item
- Floor
- Food Preparation Area
- Foundation
- Garage Door
- Grab Bar
- Guardrail
- Handrail
- Heating, Ventilation, and Air Conditioning (HVAC)
- Infestation
- Leak – Gas or Oil
- Leak – Sewage System
- Leak – Water
- Lighting – Auxiliary
- Lighting – Exterior
- Lighting – Interior
- Litter
- Minimum Electrical and Lighting
- Mold-Like Substance
- Parking Lot
- Potential Lead-Based Paint Hazards – Visual Assessment
- Private Roads and Driveways
- Refrigerator
- Retaining Wall
- Roof Assembly
- Sharp Edges
- Sidewalk, Walkway, and Ramp
- Sink
- Site Drainage
- Smoke Alarm
- Sprinkler Assembly
- Steps and Stairs
- Structural System
- Toilet
- Trash Chute
- Trip Hazard
- Ventilation

- Wall – Exterior
- Wall – Interior
- Water Heater

Window A summary of HUD performance criteria is provided in Exhibit 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
- NSPIRE HCV/PBV Inspection Checklist 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 the PHA to enforce minimum HQS but also recognizes that certain judgments about the acceptability of the unit are left to the family. For example, the PHA must ensure that the unit contains the required sanitary facilities, but the family decides whether the cosmetic appearance of the facilities is acceptable. Exhibit 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.

SHA Policy

Any owner that intends to negotiate a restoration agreement or require an escrow account must submit the agreement(s) to SHA for review.

8-I B. ADDITIONAL LOCAL REQUIREMENTS

The PHA may impose variations to the HQS as long as the additional criteria are not likely to adversely affect the health or safety of participant families or severely restrict housing choices for families.

8-I C. LIFE-THREATENING CONDITIONS [24 CFR 5.705; FR NOTICE 1/18/17]

If a deficiency is life-threatening, the owner must correct the deficiency withing 24 hours of notification. In the case of an HQS deficiency that the PHA determines is caused by the tenant, any member of the household, or any guest or other person under the tenant's control, other than any damage resulting from ordinary use, the PHA may waive the owner's responsibility to remedy the violation. The HAP to the owner may not be withheld or abated if the owner responsibility has been waived. However, the PHA may terminate assistance to a family because of an HWS breach beyond damage resulting from ordinary use cause by any member of the household or any guest or other person under the tenant's control.

The following area include deficiencies that are considered Life-Threatening Conditions under the Housing Opportunity Through Modernization Act of 2016 (HOTMA)

- Call-for-Aid System
- Carbon Monoxide Alarm
- Chimney
- Clothes Dryer Exhaust Ventilation
- Door – Entry
- Door – Fire Labeled
- Egress
- Electrical – Conductor, Outlet, and Switch
- Electrical – Service Panel
- Exit Sign
- Fire Escape
- Fire Extinguisher
- Flammable and Combustible Items
- Guardrail
- Heating, Ventilation, and Air Conditions (HVAC)
- Leak – Gas or Oil
- Mold-like Substance
- Smoke Alarm
- Sprinkler Assembly
- Structural System
- Toilet
- Water Heater

SHA Policy

The following are considered emergency life-threatening conditions and must be corrected within 24 hours of notification by SHA:

- Lack of hot or cold water, heat or electricity
- A condition that is imminently hazardous to life
- The only toilet in the unit does not allow for full function and use

The following is considered an urgent life-threatening condition and must be corrected within 72 hours of notification by SHA:

- Refrigerator, range or oven, or a major plumbing fixture supplied by the landlord does not work

In those cases where there is leaking gas or potential of fire or other threat to public safety, and the responsible party cannot be notified or it is impossible to make the repair, proper authorities will be notified by SHA.

If an owner fails to correct life-threatening conditions as required, SHA will enforce the HQS in accordance with HUD requirements. See 8-II-G.

If a family fails to correct a family-caused life-threatening condition as required by the SHA, the housing authority will enforce the family obligations. See 8-II.H.

In severe situations where units are rendered uninhabitable, the unit may not be re-inspected prior to referral for abatement.

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 appliances owned by the family
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear that results in a breach of the HQS. "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.

8-I E. SPECIAL REQUIREMENTS FOR CHILDREN WITH ELEVATED BLOOD LEAD LEVEL [24 CFR 35.1225; FR NOTICE 1/13/17; NOTICE PIH 2017-13]

If a PHA is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than six years of age, living in an HCV-assisted unit has been identified as having an elevated blood lead level, the PHA must complete an environmental investigation of the dwelling unit within 15 calendar days after being notified by a public health department or other medical health care provider. The environmental investigation must be completed in accordance with program requirements, and the result of the environmental investigation 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 environmental investigation report from the PHA, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 35.1325 and 35.1330]. If the owner does not complete the “hazard reduction” as required, the dwelling unit is in violation of HQS and the PHA will take action in accordance with Section 8II.G.

SHA reporting requirements, and data collection and record keeping responsibilities related to children with an elevated blood lead level are discussed in Chapter 16.

8-I F.VIOLATION OF HQS SPACE STANDARDS [24 CFR 5.705]

A dwelling unit must:

- Provide adequate space and security for the family
- Have at least one bedroom or habitable room for each two persons

A unit that does not meet these HQS space standards is defined as *overcrowded*.

No more than two persons may occupy a habitable room [HCV GB p. 10-6]. There must be two (2) working outlets present within each habitable room OR at least one (1) working outlet and one (1) permanently installed light fixture. A bathroom or kitchen are not considered habitable rooms.If the PHA determines that a unit is overcrowded because of an increase in family size or a change in family composition, the PHA must issue the family a new voucher, and the family and the PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the HAP contract in accordance with its terms.

SHA Policy

SHA shall make a determination as to the number of rooms which are acceptable sleeping rooms, for the purpose of deciding maximum occupancy level according to HQS. The determination will be made on a case-by-case basis, based on HQS standards, the design of the structure, family composition and safety of egress.

Notice of Termination for HQS Space Standard
When SHA terminates the HAP Contract because of a violation of HQS occupancy standards, SHA will provide the owner and family written notice of termination of the contract. The HAP contract terminates at the end of the calendar month that follows the calendar month in which SHA gives such notice to the owner.

8-I G. ACCESSORY DWELLING UNITS

SHA Policy

All owners wishing to rent an Accessory Dwelling Unit (ADU), also known as a mother-in-law apartment, must provide SHA with acceptable building permits as per SMC 23.44.041, from the City of Seattle, in order to be considered for the program. ADU are defined as those units originally designed as a single-family dwelling unit where an additional, self-contained unit has been added on or remodeled from within the unit to make two or more separate dwellings.

Part II: The Inspection Process

8-II A. OVERVIEW [24 CFR 982.405]

Types of Inspections
The PHA conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

- *Initial Inspections*; conducted in response to a request from the family to approve a unit for participation in the HCV program.
- *Annual/Biennial Inspection:* HUD requires the PHA to inspect each unit under lease at least biennially (every other year) to confirm that the unit meets HQS. The PHA reserves the right to place units on an annual or biennial inspection schedule, as deemed appropriate.
- *Special (Complaint) Inspections*: At request of owner, family, or third-party if the PHA determines an inspection is warranted.
- *Quality Control Inspections*: HUD requires that a sample of units be inspected by a supervisor or other qualified individual to evaluate the work of the inspector(s) and to ensure that inspections are performed in compliance with the HQS.
- *Contract Monitoring Inspections*: To evaluate validity and effectiveness of self-certifications for PBV units, SHA inspects some units during the PBV Building's scheduled contract monitoring.

Inspection of PHA-Owned Units [24 CFR 982.352(b)]

SHA Policy

SHA may conduct HQS inspections on Seattle Housing Authority-owned properties (MTW 3.H.01).

Inspection Costs [Notice PIH 2016-05]
The PHA may not charge the family for unit inspections or reinspections [24 CFR 982.405(e)].

The PHA may not charge the owner for the inspection of the unit prior to the initial term of the lease or for a first inspection during assisted occupancy of the unit. However, the PHA may charge a reasonable fee to owners for reinspections in two situations: when the owner notifies the PHA that a repair has been made but the deficiency has not been corrected, and when the time for repairs has elapsed and the deficiency has not been corrected. Fees may not be imposed for tenant-caused damages, for cases in

which the inspector could not gain access to the unit, or for new deficiencies discovered during a reinspection.

The owner may not pass the cost of a reinspection fee to the family. Reinspection fees must be added to the PHA's administrative fee reserves and may only be used for activities related to the provision of tenant-based assistance.

Notice and Scheduling
The family must allow the PHA to inspect the unit at reasonable times with reasonable notice [24 CFR 982.551(d)].

SHA 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 8:00 a.m. and 4:30 p.m. Generally, inspections will be conducted on business days only. In the case of a life-threatening emergency, SHA will give as much notice as possible, given the nature of the emergency. An excess of personal items that restricts the ability to fully inspect a unit or failure to allow access to a unit may result in termination from the program.

Owner and Family Inspection Attendance
HUD permits the PHA to set policy regarding family and owner presence at the time of inspection [HCV GB p. 10-27].

SHA Policy

When a family occupies the unit at the time of inspection an adult family member or their representative 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, SHA will inspect the unit in the presence of the owner or owner's representative, unless otherwise arranged with the housing provider. The presence of a family representative is permitted but is not required.

8-II B.INITIAL HQS INSPECTION [24 CFR 982.401(A)]

Initial Inspections [FR Notice 1/18/17]
The PHA may, but is not required to, approve assisted tenancy and start HAP if the unit fails HQS inspection, but only if the deficiencies identified are non-life-threatening. Further, the PHA may, but is not required to, authorize occupancy if a unit passed an alternative inspection in the last 24 months.

SHA Policy

The unit must pass the HQS inspection on or before the effective date of the HAP contract with the exception of some units owned by SHA (see Chapter 17).

Timing of Initial Inspections
HUD requires PHAs 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 (RFTA). 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)

SHA Policy

SHA will complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 10 days of submission of the RFTA provided the following conditions are met:

- SHA has received the completed RFTA
- Owner verification screening is complete; and
- The owner notifies SHA the property is available and ready for inspection.

The unit must be vacant at the time of the initial inspection. However, exceptions may be approved on a case-by-case basis

HQS Pre-Inspections (MTW 3.A.03)

To expedite the leasing process, PHAs may pre-inspect available units that HCV families may be interested in leasing in order to maintain a pool of eligible units.

SHA Policy

To expedite the leasing process, SHA may pre-inspect available units that HCV families may be interested in leasing to maintain a pool of eligible units. If an HCV family selects a unit that passed a HQS pre-inspection (without intervening occupancy) within 90 days of the date of the Request for Tenancy Approval, the unit may be approved provided that it meets all other conditions under 24 CFR 982.305.

Requests for Tenancy Approval of units pre-inspected more than 90 days prior may be approved as exceptions by the HCV Deputy Director or their Designee.

Inspection Results and Reinspection

SHA Policy

After the initial HQS inspection, SHA will notify the owner of any deficiencies identified during an inspection within two working days. When the deficiencies are corrected, the owner must contact SHA to schedule a re-inspection. If deficiencies have not been corrected or the landlord has not communicated to SHA about plans for correcting deficiencies within the timeline required, or another deadline as determined by the Deputy Director, SHA will end the inspection process and issue new moving papers to the tenant.

If the participant notifies SHA they are no longer interested in the unit, SHA will end the inspection process and issue new moving papers to the participant.

Utilities

SHA Policy

All utilities must be available for testing at the time of the initial inspection.

Appliances [Form HUD-52580]

SHA Policy

If the family is responsible for supplying the stove and/or refrigerator, SHA 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 SHA. SHA 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 AND 982.406; NOTICE PIH 2016-05]

SHA Policy

MTW Units: SHA conducts an inspection to determine continuing compliance with Housing Quality Standards within 26 months of the last inspection (MTW 3.A.01)

SHA reserves the right to place units on an annual inspection or another alternative schedule if deemed appropriate.

Scheduling the Inspection

The family must allow SHA to inspect the unit at reasonable times with reasonable notice. Reasonable hours to conduct an inspection are between 8 a.m. and 4:30 p.m. Inspections may also be performed between the hours of 7 a.m. and 7 p.m., upon request at the inspector's discretion.

If an adult family member is unable to be present the family may have a representative over age 18 present for an inspection.

If the family misses the first scheduled appointment without requesting a new inspection date, SHA will automatically schedule a second inspection. If the family misses two scheduled inspections without SHA approval, SHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance in accordance with Chapter 12.

8-II D. SPECIAL INSPECTIONS [24 CFR 982.405(G)]

If a participant or government official reports a life-threatening condition which the owner would be required to repair within 24 hours, the PHA must inspect the unit within 24 hours of notification. If the reported condition is not life-threatening, the PHA must inspect the unit within 15 days of notification.

SHA Policy

Reports must be made to SHA in writing. SHA will only conduct an inspection for items that fall under HQS.

SHA will inspect only the items which were reported, but if the inspector notices additional deficiencies that would cause the unit to fail HQS, the owner will be required to make the necessary repairs.

If the annual inspection date is within 90 days of a special inspection, and as long as all items are inspected that are included in an annual inspection, the special inspection will be categorized as annual, and all annual procedures will be followed.

Move-Out/Vacate Inspection

A move-out inspection will be performed only at the landlord's request if a claim is to be submitted for contracts effective before October 2, 1995.

8-II E. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(B); HCV GB, P. 10-32]

SHA Policy

SHA conducts quality control inspections on a sample of units under contract to maintain SHA's required standards and to assure consistency in enforcing HQS standards. The purpose of quality control inspections is to ascertain that each inspector is conducting accurate and complete inspections, and to ensure that there is consistency among inspectors in application of the HQS.

8-II F. INSPECTION RESULTS AND REINSPECTION FOR UNITS UNDER HAP CONTRACT

Notification of Corrective Actions

The owner and the family will be notified in writing of the results of failed inspections. When an inspection identifies HQS failures, the PHA will determine (1) whether or not the failure is a life-threatening condition and (2) whether the family or owner is responsible.

SHA Policy

The notice of inspection results will inform the owner that if life-threatening conditions are not corrected within 24 hours, urgent conditions are not corrected within 72 hours and non-life-threatening conditions are not corrected within the specified time frame the owner's HAP will be abated in accordance with PHA policy (see 8II.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 the family's assistance will be terminated in accordance with PHA policy (see Chapter 12).

Extensions

For conditions that are life-threatening, the PHA cannot grant an extension to the 24 hour or 72-hour corrective action period. For conditions that are not life-threatening, the PHA may grant an exception to the required time frames for correcting the violation, if the PHA determines that an extension is appropriate [24 CFR 982.404].

SHA Policy

The request for an extension must be made in writing, and the length of the extension will be determined on a case-by-case basis.

Extensions will be granted in cases where the PHA 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. The Deputy Director may approve longer extensions for extenuating circumstances on a case by case basis. The first 30-day extension may be approved by the inspector. The other 30 days must receive management approval. 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.

Reinspections

SHA Policy

SHA will conduct a reinspection immediately following the end of the corrective period, or any SHA approved extension.

The family and owner will be given reasonable notice of the reinspection appointment. If the deficiencies have not been corrected by the time of the reinspection, SHA 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 SHA policies. If SHA is unable to gain entry to the unit in order to conduct the scheduled reinspection, SHA will consider the family to have violated its obligation

to make the unit available for inspection. This may result in termination of the family's assistance in accordance with Chapter 12.

8-II G. ENFORCING OWNER COMPLIANCE

If the owner fails to maintain the dwelling unit in accordance with HQS, the PHA 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 PHA, HUD requires the PHA to abate housing assistance payments no later than the first of the month following the specified correction period (including any approved extension) [24 CFR 985.3(f)]. No retroactive payments will be made to the owner for the period of time the rent was abated. Owner rents are not abated as a result of HQS failures that are the family's responsibility.

SHA Policy

If SHA determines that a unit fails to meet HQS and the owner has failed to make the necessary repairs within the time period specified by SHA, payments to the owner will abate (stop). SHA will make no retroactive payments to the owner for the period of time the rent was abated. Owner rents are not abated as a result of HQS failures that are the family's responsibility.

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

HAP Contract Termination

The PHA must decide how long any abatement period will continue before the HAP contract will be terminated. SHA should not terminate the contract until the family finds another unit, provided the family does so in a reasonable time [HCV GB p. 10-29] and must give the owner reasonable notice of the termination. SHA will issue a voucher to permit the family to move to another unit as described in Chapter 10.

SHA Policy

The effective date of an abatement is the first of the month following thirty (30) days notification [24 CFR 985.3(f)]. The abatement period is 30 days unless approved by SHA management. If the owner does not make the corrections by the end of the abatement period SHA will terminate the HAP contract and the participant will be required to move. If an owner has a history or practice of non-compliance with their obligations, SHA may impose consequences, up to and including terminating the owner's participation in the program.

8-II H. ENFORCING FAMILY COMPLIANCE WITH HQS [24 CFR 982.404(B)]

Families are responsible for correcting any HQS violations listed in paragraph 8.I.D. If the family fails to correct a violation within the period allowed by the PHA (and any extensions), the PHA 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

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.

SHA Policy

SHA will determine rent reasonableness in accordance with 24 CFR 982.507. It is SHA's responsibility to ensure that the rents charged by owners are reasonable based upon unassisted comparable units in the rental market, using the criteria specified in 24 CFR 982.507(b).

Under MTW, SHA may eliminate Rent Reasonable determinations for units that are rent-restricted or limited through affordability agreements or similar arrangements. In addition, SHA may choose to reduce or streamline the requirements for Rent Reasonable determinations for units that are subject to affordability agreements or similar arrangements (MTW 10.H.09).

8-III B. WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED

Owner-Initiated Rent Determinations

The PHA 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. The PHA will assist the family with the negotiations upon request. At initial occupancy the PHA 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.

SHA 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, SHA 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 SHA will consider unit size and length of tenancy in the other units.

SHA will acknowledge receipt of the requested increase within 10 days and determine whether the requested increase is reasonable. The owner will be notified of the determination in writing.

All rents adjustments will be effective the first of the month following 60 days after SHA's receipt of the owner's request or on the date specified by the owner, whichever is later.

PHA- and HUD-Initiated Rent Reasonableness Determinations

HUD requires the PHA to make a determination of rent reasonableness (even if the owner has not requested a change) if there is a 10 percent decrease in the fair market rent that goes into effect at least 60 days before the contract anniversary date. HUD also may direct the PHA to make a determination at any other time. The PHA may decide that a new determination of rent reasonableness is needed at any time.

SHA Policy

In addition to the instances described above, SHA will make a determination of rent reasonableness at any time after the initial occupancy period if: (1) SHA determines that the initial rent reasonableness determination was in error or (2) SHA determines that the information provided by the owner about the unit or other units on the same premises was incorrect.

LIHTC- and HOME-Assisted Units [24 CFR 982.507(c)]

For units receiving low-income housing tax credits (LIHTCs) or units assisted under HUD's HOME Investment Partnerships (HOME) Program, a rent comparison with unassisted units is not required if the voucher rent does not exceed the rent for other LIHTC- or HOME-assisted units in the project that are not occupied by families with tenant-based assistance.

For LIHTCs, if the rent requested by the owner does exceed the LIHTC rents for non-voucher families, the PHA must perform a rent comparability study in accordance with program regulations. In such cases, the rent shall not exceed the lesser of: (1) the reasonable rent as determined from the rent comparability study; or (2) the payment standard established by the PHA for the unit size involved.

8-III C. HOW COMPARABILITY IS ESTABLISHED

Factors to Consider

HUD requires PHAs to take into consideration the factors listed below when determining rent comparability. The PHA may use these factors to make upward or downward adjustments to the rents of comparison units when the units are not identical to the HCV-assisted unit.

- Location and age
- Unit size including the number of rooms and square footage of rooms
- The type of unit including construction type (e.g., single family, duplex, garden, low-rise, high-rise)
- The quality of the units including the quality of the original construction, maintenance and improvements made
- Amenities, services, and utilities included in the rent

Units that Must Not Be Used as Comparables

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that imposes rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance, Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects, HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized; units subsidized through federal, state, or local tax credits; units subsidized by the Department of Agriculture rural housing programs, and units that are rent-controlled by local ordinance.

Note: Notice PIH 2011-46, issued August 17, 2011, provides further guidance on the issue of what constitutes an assisted unit.

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 the PHA information regarding rents charged for other units on the premises.

8-III D. SHA RENT REASONABLENESS METHODOLOGY

How Market Data Is Collected

SHA Policy

SHA will collect and maintain data on market rents in SHA's jurisdiction or will employ the services of a qualified independent consultant to do so. 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 12 months old will be eliminated from the database.

How Rents Are Determined

SHA 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. SHA 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, SHA may make adjustments to the range of prices to account for these differences.

The adjustment must reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas).

Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom).

The adjustment must reflect the rental value of the difference—not its construction costs (e.g., it might cost $20,000 to put on a new roof, but the new roof might not make any difference in what a tenant would be willing to pay because rental units are presumed to have functioning roofs).

When a comparable project offers rent concessions (e.g., first month rent-free, or reduced rent) reported monthly rents will be adjusted accordingly. For example, if a comparable project reports rents of $500/month but new tenants receive the first month's rent free, the actual rent for the unit would be calculated as follows: $500 x 11 months = 5500/12 months = actual monthly rent of $488.

SHA will notify the owner of the rent SHA can approve based upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area. SHA 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 the SHA’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 HUD52580A (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 habitable 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 within 30 days when identified by the PHA
- 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
- Maintain covered housing without deteriorated paint if there is child under six in the family

For units occupied by elevated blood lead level (lead poisoned) children under six years of age, an environmental investigation must be conducted (paid for by the PHA). If lead hazards are identified during the environmental investigation, the owner must complete hazard reduction activities within 30 days.

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

Chapter 9 covers the lease-up process from the family's submission of a Request for Tenancy Approval to execution of the HAP contract.

In order for the PHA to assist a family in a particular dwelling unit, or execute a Housing Assistance Payments (HAP) contract with the owner of a dwelling unit, the PHA 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 National Standards for the Physical Inspection of Real Estate (NSPIRE) [24 CFR 982.305(a)]
- The lease offered by the owner must be approvable and must include the required Tenancy Addendum [24 CFR 982.305(a)]
- The rent to be charged by the owner for the unit must be reasonable [24 CFR 982.305(a)]
- The owner must be an eligible owner, approvable by the PHA, 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)]. For MTW Vouchers, this calculation may include exempt income (10.H.01).

9-I A. TENANT SCREENING

The PHA has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy [24 CFR 982.307(a)(1)].

The PHA may elect to screen applicants for family behavior or suitability for tenancy. See Chapter 3 for a discussion of SHA'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 PHA 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)]. The PHA must also inform the owner or manager or their rights and obligations under the Violence against Women Act of 2013 (VAWA) [24 CFR 5.2005(a)(2)].

The PHA 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)].

The PHA is permitted, but not required, to offer the owner other information in the PHA's possession about the tenancy history or drug trafficking of family members [24 CFR 982.307(b)(2)].

The PHA's policy on providing information to the owner must be included in the family's briefing packet [24 CFR 982.307(b)(3)].

The PHA may not disclose to the owner any confidential information provided by the family in response to a PHA 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(b)(4)].

SHA Policy

SHA will not screen applicants for family behavior or suitability for tenancy.

SHA 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 the PHA to approve the assisted tenancy in the selected unit.

The owner and the family must submit two documents to the PHA:

- Completed Request for Tenancy Approval (RFTA) – Form HUD-52517
- Copy of the proposed lease, including the HUD-prescribed Tenancy Addendum – Form HUD-52641-A

The RFTA contains important information about the rental unit selected by the family, including the unit address, number of bedrooms, structure type, year constructed, utilities included in the rent, and the requested beginning date of the lease, necessary for the PHA to determine whether to approve the assisted tenancy in this unit.

Owners must certify to the most recent amount of rent charged for the unit and provide an explanation for any difference between the prior rent and the proposed rent.

Owners must certify that they are not the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA 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 RFTA and the proposed lease must be submitted no later than the expiration date stated on the voucher. [HCV GB p.8-15].

SHA Policy

The RFTA must be submitted on behalf of a family by the proposed landlord during the term of the voucher. The landlord must submit the RFTA in the form and manner required by SHA.

The RFTA must be signed by both the owner and voucher holder. SHA will not permit the family to submit more than one RFTA at a time.

SHA will review the RFTA for completeness.

If the RFTA is incomplete (including lack of signature by family, owner, or both), or if the dwelling lease is not submitted with the RFTA, SHA will notify the family and the owner of the deficiencies.

When the family submits the RFTA and proposed lease, SHA will also review the terms of the RFTA for consistency with the terms of the proposed lease.

If the terms of the RFTA are not consistent with the terms of the proposed lease, SHA will notify the family and the owner of the discrepancies.

9-I C. OWNER PARTICIPATION

The PHA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where the PHA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. There are also criteria for which the PHA must disapprove an owner. No owner has a right to participate in the HCV program [24 CFR 982.306(e)]

See Chapter 13 for a full discussion of owner qualification to participate in the HCV program.

9-I D. ELIGIBLE UNITS

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the voucher program. Generally, a voucher-holder family may choose any available rental dwelling unit on the market in the PHA's jurisdiction. This includes the dwelling unit they are currently occupying.

Ineligible Units [24 CFR 982.352(a)]

The PHA 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.

PHA-Owned Units [24 CFR 982.352(b)]

Otherwise eligible units that are owned or substantially controlled by the PHA may also be leased in the voucher program. In order for a PHA-owned unit to be leased under the voucher program, the unit must not be ineligible housing and the PHA must inform the family, both orally and in writing, that the family has the right to select any eligible unit available for lease and that the family is free to select a PHA-owned unit without any pressure or steering by the PHA.

SHA Policy

SHA will approve units owned (but not provided an operating subsidy) by SHA in the voucher program.

Special Housing Types [24 CFR 982 Subpart M]

HUD regulations permit, but do not generally require, the PHA to permit families to use voucher assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. These special housing types include single room occupancy (SRO) housing, congregate housing, group home, shared housing, manufactured home space (where the family owns the manufactured home and leases only the space), cooperative housing and homeownership option. See Chapter 15 for specific information and policies on any of these housing types that the PHA has chosen to allow.

The regulations do require the PHA to permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

Duplicative Assistance [24 CFR 982.352(c)]

A family may not receive the benefit of HCV tenant-based assistance while receiving the benefit of any of the following forms of other housing subsidy, for the same unit or for a different unit:

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

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

NSPIRE Standards [Notice PIH 2023-28]]
In order to be eligible, the dwelling unit must be in safe and habitable. This determination is made using National Standards for the Physical Inspection of Real Estate (NSPIRE) and/or equivalent state or local standards approved by HUD. See Chapter 8 for a full discussion of the NSPIRE standards, as well as the process for inspection at initial lease-up.

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 space requirements [5.703(d)(5)]. 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.

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 family share cannot exceed 40 percent of the family's adjusted monthly income.

SHA Policy

This calculation may include exempt income for MTW families (MTW 10.H.01) or at Manager discretion.

40 Percent Affordability Cap on Rent and Utilities
Consistent with its Move to Work Contract, SHA shall use the following formula for determining whether rent plus utilities are affordable to families at the point of lease- up:

Adjusted gross income calculated as described in this Administrative Plan, which is consistent with 24 CFR Section 5.609, plus all income actually available to the family but which is excluded from Annual Income by 24 CFR 5.609(c).

If the rent is not affordable because the family share would be more than 40 percent of the family's monthly adjusted gross income, including exempt income in the calculation for this purpose, SHA will negotiate with the owner to attempt to reduce the rent to an affordable rent for the family or include some or all of the utilities in the rent to owner.

If the rent can be approved after negotiations with the owner, SHA will continue processing the Request for Tenancy Approval.

If the owner does not agree on the rent to owner after SHA has tried and failed to negotiate a revised rent, SHA will inform the family and owner that the tenancy is disapproved.

Exception to the 40 Percent Affordability Cap
Requests for Tenancy Approvals which have rents within $10 of the family's 40 percent affordability cap may be approved by an HCV Manager in order to increase housing opportunities and family choice.

All requests for rents higher than $10 above the 40 percent affordability cap must be approved by the HCV Deputy Director or designee, who must assess the reasonableness of the family's reported income and housing costs, including an assessment of the family's ability to sustain the housing situation and still meet the other necessities of life.

The term "family share" refers to the amount the family pays toward rent and utilities. The gross rent for the unit minus the total housing assistance payment (HAP) for the unit equals the family share. 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 a written dwelling lease agreement for the assisted unit. This written lease is a contract between the tenant family and the owner; the PHA 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 for the assisted tenants is in such standard form.

All provisions in the HUD-required Tenancy Addendum must be added word-for-word to the owner's standard lease form. The Tenancy Addendum includes the HUD requirements for the tenancy. Because it is a part of the lease, the tenant shall have the right to enforce the Tenancy Addendum against the owner. If there is a conflict between the owner's lease and the Tenancy Addendum, the terms of the Tenancy Addendum shall prevail over any other provisions of the lease.

SHA Policy
SHA does not provide a model or standard dwelling lease for owners to use in the HCV program.

Lease Information [24 CFR 982.308(d)]
The assisted dwelling lease must contain all of the required information as listed below:

- The names of the owner and the tenant:
- The unit rented (address, apartment number, and any other information needed to identify the contract unit)
- The term of the lease (initial term and any provisions for renewal)
- The amount of the monthly rent to owner
- 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

Flat-Rate Utility Billing

SHA Policy

If a flat rate fee is charged to tenants for utilities by the owner, the specifics of the flat rate must be detailed in the lease and not subject to change during the term of the lease. SHA will use the utility estimate from the utility schedule that includes the same utility types the flat rate fee includes per the lease (not the actual fee charged under the lease).

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 the PHA to approve a shorter initial lease term if certain conditions are met.

SHA Policy

SHA will not approve an initial lease term of less than one (1) year except in either of the following instances:

- Such shorter term would improve housing opportunities for the tenant; or
- Such shorter term is the prevailing local practice.

During the initial term of the lease, the owner may not raise the rent to owner or make changes to utility arrangement [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 stated in the dwelling lease if they exist.

SHA may execute the HAP contract even if there is less than one year remaining from the beginning of the initial lease term to the end of the last expiring funding increment under the consolidated ACC. [24 CFR 982.309(b)].

Security Deposit [24 CFR 982.313 (a) and (b)]
The owner may collect a security deposit from the tenant. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants. However, if the PHA chooses to do so, language to this effect must be added to Part A of the HAP contract [Form HUD-52641].

SHA Policy

SHA will allow the owner to collect any security deposit amount the owner determines is appropriate as long as the amount does not exceed limits put in place by the City of Seattle, if the unit is within City limits. 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 as approved by the PHA minus the PHA'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)].

SHA Policy

Owners and families may execute separate agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease, if the agreement is in writing and approved by SHA.

Families and owners will be advised of the prohibition of illegal side payments for additional rent, or for items normally included in the rent of unassisted families, or for items not shown on the approved lease.

The family is not liable under the lease for unpaid charges for items covered by separate agreements and non-payment of these agreements cannot be cause for eviction.

Any appliances, services or other items which are routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or are permanently installed in the unit, cannot be put under separate agreement and must be included in the lease. For there to be a separate agreement, the family must have the option of not utilizing the service, appliance or other item.

For single family houses, SHA will not accept separate agreements for additional charges for garages, basements, or other structures or amenities located on the property.

If the family and owner have come to a written agreement on the amount of allowable charges for a specific item, so long as those charges are reasonable and not a substitute for higher rent, they will be allowed.

All agreements for special items or services must be attached to the lease approved by SHA. If agreements are entered into at a later date, they must be approved by SHA and attached to the lease.

Separate agreements for optional additional charges will not be used in the calculation of a tenant's affordability limit but may be used in the calculation of reasonable rent for the property.

PHA Review of Lease
The PHA will review the dwelling lease for compliance with all applicable requirements.

SHA Policy

If the dwelling lease is incomplete or incorrect, SHA will notify the family and the owner of the deficiencies. Missing and corrected lease information will may be accepted as email, hard copies, in-person, by mail, or by fax. SHA will not accept missing and corrected information over the phone.

Because the initial leasing process is time-sensitive, SHA will attempt to communicate with the owner and family by phone, fax, or email. SHA will use mail when the parties can't be reached by phone, fax, or email.

The PHA is permitted, but is not required, to review the lease to determine if the lease complies with State and local law and is permitted to decline to approve the tenancy if the PHA determines that the lease does not comply with State or local law [24 CFR 982.308(c)]

SHA Policy

SHA will not review the owner's lease for compliance with state/local law.

9-I F. TENANCY APPROVAL [24 CFR 982.305]

After receiving the family's Request for Tenancy Approval, with proposed dwelling lease, the PHA 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, SHA must ensure that all required actions and determinations, discussed in Part I of this chapter have been completed.

These actions include ensuring that the unit is eligible; the unit has been inspected by the PHA and meets the NSPIRE standards; the lease offered by the owner is approvable and includes the required Tenancy

Addendum; the rent to be charged by the owner for the unit must be reasonable; where the family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)] including exempt income (MTW 10.H.01); the owner is an eligible owner, not disapproved by the PHA, 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)].

SHA Policy

SHA will complete its determination within 10 business days of receiving all required information.

If the terms of the RFTA/proposed lease are changed for any reason, including but not limited to negotiation with SHA, SHA will obtain corrected copies of the RFTA and proposed lease, signed by the family and the owner.

If SHA 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. SHA will instruct the owner and family of the steps that are necessary to obtain approval of 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 or rent reasonableness, SHA 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.

Change in Total Tenant Payment (TTP) Prior to HAP Effective Date

When the family reports changes in factors that will affect the total family share prior to the effective date of the HAP contract, the information will be verified, and the total family share will be recalculated using the interim review guidelines outlined in Chapter 14. If the family does not report any change, SHA need not obtain new verifications before signing the HAP contract, even if verifications are more than 60 days old.

9-I G. HAP CONTRACT EXECUTION [24 CFR 982.305]

The HAP contract is a written agreement between the PHA and the owner of the dwelling unit. Under the HAP contract, the PHA agrees to make housing assistance payments to the owner on behalf of the family, and the owner agrees to comply with all program requirements as stated in the HAP contract.

The HAP contract form is prescribed by HUD.

If the PHA has given approval for the family of the assisted tenancy, the owner and the PHA must execute the HAP contract.

The term of the HAP contract must be the same as the term of the lease [24 CFR 982.451(a)(2)].

The PHA is permitted to execute a HAP contract even if the funding currently available does not extend for the full term of the HAP contract.

The PHA must make a best effort to ensure that the HAP contract is executed before the beginning of the lease term. Regardless, the HAP contract must be executed no later than 60 calendar days from the beginning of the lease term.

The PHA 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, the PHA will pay housing assistance payments after execution of the HAP contract (in accordance with the terms of the HAP contract), to cover the portion of the lease term before execution of the HAP contract (a maximum of 60 days).

Any HAP contract executed after the 60-day period is void, and the PHA may not pay any housing assistance payment to the owner.

SHA Policy

The owner and the assisted family will execute the dwelling lease and the owner must provide a copy to SHA.

The owner and SHA will execute the HAP contract. SHA will not execute the HAP contract until the owner has submitted IRS form W-9. SHA will ensure that the owner receives a copy of the executed HAP contract.

As required under VAWA 2013, once the HAP contract and lease have been executed and the family has been admitted to the program, SHA will notify families of their rights under VAWA by providing all families with a copy of the domestic violence certification form (HUD-5382) as well as the VAWA notice of occupancy rights (form HUD-5380).

The HCV Deputy Director or designee is authorized to execute a HAP Contract.

Owners must, upon request, provide the current address of their residence (not a Post Office box). The owner's current address will be compared to the subsidized unit's address.

Owners must provide an employer identification number or Social Security Number.

Owners must, on request, submit proof of ownership of the property, such as a deed or tax bill, and a copy of the management agreement if the property is managed by a management agent.

See Chapter 13 for a discussion of the HAP contract and contract provisions.

9-I H. CHANGES IN LEASE OR RENT [24 CFR 982.308]

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give the PHA a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter.

Generally, PHA approval of tenancy and execution of a new HAP contract are not required for changes in the lease. However, under certain circumstances, the execution of a new lease and HAP contract are required. These circumstances include:

- Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances.
- Changes in lease provisions governing the term of the lease.
- 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 (RFTA) along with a new dwelling lease containing the proposed changes. A new tenancy must then be approved in accordance with this chapter.

Where the owner is changing the amount of the rent to owner, the owner must notify the PHA at least 60 days before any such changes go into effect [24 CFR 982.308(g)(4)]. The PHA 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 terminate the tenancy 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)].

SHA Policy

Where the owner is requesting a rent increase, SHA 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.

The owner is required to notify SHA, in writing, at least 60 days before any change in the amount of rent to owner is scheduled to go into effect. Any requested change in rent to owner will be subject to rent reasonableness requirements.

Rent increases will go into effect on the first of the month following the 60-day period after the owner notifies SHA of the rent change or on the date specified by the owner, whichever is later.

Chapter 10: Moving with Continued Assistance and Portability

Freedom of housing choice is a hallmark of the housing choice voucher (HCV) program. In general, HUD regulations impose few restrictions on where families may live or move with HCV assistance. This chapter sets forth HUD regulations and SHA policies governing moves within or outside SHA'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 SHA's HCV program, whether the family moves to another unit within SHA's jurisdiction or to a unit outside SHA'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 SHA's jurisdiction. This part also covers the special responsibilities that the PHA has under portability regulations and procedures.

Part I: Moving with Continued Assistance

10-I A. ALLOWABLE MOVES

HUD lists six regulatory 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 982.354(b)(3)]. If the family terminates the lease on notice to the owner, the family must give the PHA a copy of the notice at the same time [24 CFR 982.354(d)(1)].
- The lease for the family's unit has been terminated by mutual agreement of the owner and the family [24 CFR 982.354(b)(1)(ii)].

SHA Policy

If the family and the owner mutually agree to terminate the lease for the family's unit, the family must give SHA a copy of the termination agreement.

Families cannot move more than once within any 12-month period. Exceptions to this can be made on a case-by-case basis based upon unique circumstances such as (but not limited to) domestic violence or a fire in the unit making it uninhabitable. Exceptions are also given for participants transferring to a new unit within the same complex provided that the landlord and participant are in mutual agreement, a new 12-month lease is signed, and a new RFTA and inspection are completed.

- 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 982.354(b)(2)]. The family must give the PHA a copy of any owner eviction notice [24 CFR 982.551(g)].
- The family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and the move is needed to protect the health or safety of the family or family member [24 CFR 982.354(b)(4)]. This condition applies even when the family has moved out of its unit in violation of the lease, with or without prior notification to SHA, if the family or family member who is the victim reasonably believed that they were imminently threatened by harm from further violence if he or she remained in the unit [24 CFR 982.354(b)(4), 24 CFR 982.353(b)]. The PHA must adopt an emergency transfer plan as required by regulations at 24 CFR 5.2007(e).

SHA Policy

If a family requests permission to move with continued assistance or for an external transfer to another covered housing program operated by SHA based on a claim that the move is necessary to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, SHA will request that the resident request the emergency transfer using form HUD-5383, and SHA will request documentation in accordance with section 16-IX.D of this plan.

SHA reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the family or family member will suffice. In such cases SHA will document the waiver in the family's file.

SHA may choose to provide a voucher to facilitate an emergency transfer of the victim without first terminating the assistance of the perpetrator.

Before granting an emergency transfer, SHA will ensure the victim is eligible to receive continued assistance based on the citizenship or immigration status of the victim.

SHA has adopted an emergency transfer plan, which is included as Exhibit 16-3 to this plan and discuses external transfers to other covered housing programs.

- The PHA has terminated the HAP contract for the family's unit for the owner's breach [24 CFR 982.354(b)(1)(i)].
- The PHA determines that the family's current unit does not meet space standards because of an increase in family size or a change in family composition. In such cases, the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for the family, the PHA 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 the PHA 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 a PHA may deny a family permission to move and two ways in which a PHA may restrict moves by a family.

Denial of Moves

HUD regulations permit the PHA to deny a family permission to move under the following conditions:

Insufficient Funding

The PHA may deny a family permission to move either within or outside the PHA's jurisdiction if the PHA does not have sufficient funding for continued assistance [24 CFR 982.354(e)(1)]. However, Notice PIH 2016-09 significantly restricts the ability of PHAs to deny permission to move due to insufficient funding and places further requirements on PHAs regarding moves denied due to lack of funding. The requirements found in this notice are mandatory.

SHA Policy

SHA will deny a family permission to move on grounds that SHA does not have sufficient funding for continued assistance if (a) the move is initiated by the family, not the owner or SHA; (b) SHA can demonstrate that the move will, in fact, result in higher subsidy costs (c) SHA can demonstrate, in accordance with the policies in Part VIII of Chapter 16, that it does not have sufficient funding in its annual budget to accommodate the higher subsidy costs; and (d) for portability moves, the receiving PHA is not absorbing the voucher.

If SHA does not have sufficient funding for continued assistance, but the family must move from their unit (e.g., the unit failed inspection), the family may move to a higher cost unit if the move is within SHA's jurisdiction. SHA, however, will not allow the family to move under portability in this situation if the family wishes to move to a higher cost area.

For both moves within SHA's jurisdiction and outside under portability, SHA will not deny a move due to insufficient funding if SHA previously approved the move and subsequently experienced a funding shortfall if the family cannot remain in their current unit. SHA will rescind the voucher in this situation if the family will be allowed to remain in their current unit.

SHA will create a list of families whose moves have been denied due to insufficient funding. SHA will keep the family's request open indefinitely, and when funds become available, the families on this list will take precedence over families on the waiting list. SHA will use the same procedures for notifying families with open requests to move when funds become available as it uses for notifying families on the waiting list (see section 4-III.D).

SHA will inform the family of its policy regarding moves denied due to insufficient funding in a letter to the family at the time the move is denied.

Grounds for Denial or Termination of Assistance

The PHA may deny a family permission to move if it has grounds for denying or terminating the family's assistance [24 CFR 982.354(e)(2)].

SHA Policy

If SHA has grounds for denying or terminating a family's assistance, SHA 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 982.354(c)]

HUD regulations permit the PHA to prohibit any elective move by a participant family during the family's initial lease term. They also permit the PHA to prohibit more than one elective move by a participant family during any 12-month period. However, such prohibitions, if adopted, do not apply when the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and the move is needed to protect the health or safety of the family or family member. (For the policy on documentation of abuse, see section 10-I.A.) In addition, the PHA may not establish a policy permitting moves only at reexamination [Notice PIH 2016-09].

SHA Policy

SHA may deny families permission to make an elective move during the initial year of assisted occupancy, unless there are circumstances beyond the control of the family which require a move as an accommodation for a family member with a disability or for other good cause.

Families may not be issued a voucher to move with continued assistance more than once in any 12-month period. Exceptions to this can be made on a case-by-case basis based upon unique circumstances such as (but not limited to) domestic violence or a fire in the unit making it uninhabitable. Exceptions are also given for participants transferring to a new unit within the same complex provided that the landlord and participant are in mutual agreement, a new 12-month lease is signed, and a new RFTA and inspection are completed.

10-I C. MOVING PROCESS

Notification

If a family wishes to move to a new unit, the family must notify the PHA and the owner before moving out of the old unit or terminating the lease on notice to the owner [24 CFR 982.354(d)(2)]. If the family wishes

to move to a unit outside the PHA's jurisdiction under portability, the notice to the PHA must specify the area where the family wishes to move [24 CFR 982.354(d)(2)]. The notices must be in writing [24 CFR 982.5].

Approval

SHA Policy

Upon receipt of a family's notification that it wishes to move, SHA 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. SHA will deny or approve and issue a move voucher within 60 days of receiving all required documentation for a move request.

Reexamination of Family Income and Composition

SHA Policy

SHA will not recertify the income of families before it issues a voucher to move, unless the family reports a change in income or household circumstances and provides any documentation requested by SHA to confirm the reported change.

The annual recertification or update date will not be changed to coincide with the new lease-up date.

Voucher Issuance and Briefing

SHA Policy

For families approved to move to a new unit within SHA's jurisdiction, SHA will issue a new voucher within 10 business days of SHA's written approval to move. SHA will follow the policies set forth in Chapter 5 on voucher term, extension, and expiration. If a family does not locate a new unit within the term of the voucher and any extensions, the family may remain in its current unit with continued voucher assistance if the owner agrees and SHA approves. Otherwise, the family will lose its assistance.

For families moving into or families approved to move out of SHA's jurisdiction under portability, SHA will follow the policies set forth in Part II of this chapter.

Housing Assistance Payments [24 CFR 982.311(d)]

When a family moves out of an assisted unit, the PHA 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.

SHA Policy

Mid-month moves that result in overlapping contracts for the same participant are not considered a duplicative subsidy. Contracts do not need to be prorated for mid-month moves.

Moves to Other Units Owned by Landlord

SHA Policy

A move within the same building or project, or between buildings owned by the same owner, will be processed like any other move.

Part II: Portability

10-II A. OVERVIEW

Within the limitations of the regulations and this plan, a participant family or an applicant family that has been issued a voucher has the right to use tenant-based voucher assistance to lease a unit anywhere in the United States providing that the unit is located within the jurisdiction of a PHA administering a tenant-based voucher program [24 CFR 982.353(b)]. The process by which a family obtains a voucher from one PHA and uses it to lease a unit in the jurisdiction of another PHA is known as portability. The PHA that issues the voucher is called the **initial PHA.** The PHA that has jurisdiction in the area to which the family wants to move 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 provides all housing services for the family and 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 with its own program funds, and the initial PHA has no further relationship with the family. The initial PHA must contact the receiving PHA via email or other confirmed delivery method to determine whether the receiving PHA will administer or absorb the initial PHA's voucher. Based on the receiving PHA's response, the initial PHA must determine whether they will approve or deny the portability request [Notice PIH 2016-09].

PHAs commonly act as both the initial and receiving PHA because families may move into or out of their jurisdiction under portability. 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.

In administering portability, the initial PHA and the receiving PHA must comply with financial procedures required by HUD, including the use of HUD-required forms [24 CFR 982.355(e)(5)].

PHAs must also comply with billing and payment deadlines. HUD may reduce an administrative fee to an initial or receiving PHA if the PHA does not comply with HUD portability requirements [24 CFR 982.355(e)(7)].

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 provides the family with the contact information for the receiving PHAs that serve the area, and the family selects the receiving PHA. The family must inform the initial PHA which receiving PHA it has selected. If the family prefers not to select the receiving PHA, the initial PHA will select the receiving PHA on behalf of the family [24 CFR 982.255(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. HUD regulations and PHA Policy determine whether a family qualifies.

Special purpose vouchers may have additional restrictions on porting out due to special program requirements.

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. If the PHA intends to deny a family permission to move under

portability due to insufficient funding, the PHA must notify HUD within 10 business days of the determination to deny the move [24 CFR 982.355(e)].

SHA Policy

In determining whether or not to deny an applicant family permission to move under portability because SHA lacks sufficient funding or has grounds for denying assistance to the family, the SHA will follow the policies established in section 10I.B of this chapter. If SHA does deny the move due to insufficient funding, SHA will notify HUD in writing within 10 business days of SHA's determination to deny the move.

In addition, the initial 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)].

SHA Policy

For VASH, FUP, and EHV families there are no restrictions on portability in the first 12 months. Additionally for households with children enrolled in SHA's CMTO program for mobility services, regardless of voucher type, there are no restrictions on portability in the first 12 months..

For all other families, a family will not be permitted to move out of SHA's jurisdiction upon the initial issuance of their voucher.

The family must lease a unit in SHA's jurisdiction for at least one year prior to exercising portability (MTW 19.H.03).

SHA will consider exceptions to this policy for purposes of reasonable accommodation (see Chapter 2), or reasons related to domestic violence, dating violence, sexual assault, or stalking.

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 they were imminently threatened by harm from further violence if they remained in the unit [24 CFR 982.353(b)].

SHA Policy

SHA will determine whether a participant family may move out of SHA'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. SHA will notify the family of its determination in accordance with the approval policy set forth in section 10-I.C of this chapter.

Non-MTW: there are no restrictions on portability in the first 12 months.

MTW: A family will not be permitted to move out of SHA's jurisdiction upon the initial issuance of their voucher.

The family must lease a unit in SHA's jurisdiction for at least one year prior to exercising portability (MTW 19.H.03).

SHA will consider exceptions to this policy for purposes of reasonable accommodation (see Chapter 2), or reasons related to domestic violence, dating violence, sexual assault, or stalking.

Determining Income Eligibility

Applicant Families

An applicant family may lease a unit in a particular area under portability only if the family is income eligible for admission to the voucher program in that area [24 CFR 982.353(d)(1)]. The family must specify the area to which the family wishes to move [24 CFR 982.355(c)(1)].

The initial PHA is responsible for determining whether the family is income eligible in the area to which the family wishes to move [24 CFR 982.353(d)(1), 24 CFR 982.355(9)]. If the applicant family is not income eligible in that area, the PHA must inform the family that it may not move there and receive voucher assistance [Notice PIH 2016-09].

Participant Families

The income eligibility of a participant family is not redetermined if the family moves to a new jurisdiction under portability [24 CFR 982.353(d)(2)].

Reexamination of Family Income and Composition

No new reexamination of family income and composition is required for an applicant family.

SHA Policy

For a participant family approved to move out of its jurisdiction under portability, SHA generally will conduct a reexamination of family income and composition only if the family's annual reexamination will be effective on or before the initial billing deadline specified on form HUD-52665, Family Portability Information.

SHA will make any exceptions to this policy necessary to remain in compliance with HUD regulations.

Briefing

The regulations and policies on briefings set forth in Chapter 5 of this plan require the PHA to provide information on portability to all applicant families that qualify to lease a unit outside the PHA's jurisdiction under the portability procedures. Therefore, no special briefing is required for these families.

SHA Policy

No formal briefing will be required for a participant family wishing to move outside SHA's jurisdiction under portability. However, SHA 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).

Participants will identify the RHA. If they are unable to identify the RHA, SHA will assist.

If there is more than one PHA with jurisdiction over the area to which the family wishes to move, SHA will advise the family that the family selects the receiving PHA and notify the initial PHA of which receiving PHA was selected. Participants must select a RHA in order for SHA process the move. SHA will assist the family in contacting and making a decision as requested by the Participant.

SHA will advise the family that they will be under the receiving PHA's policies and procedures, including screening, subsidy standards, voucher extension policies, and payment

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, the PHA will follow the regulations and procedures set forth in Chapter 5.

SHA Policy

The initial term of the voucher will be 120 days.

Voucher Extensions and Expiration

SHA Policy

SHA will approve extensions to a voucher issued to an applicant. A family may request an extension of the voucher term. All requests for extensions must be submitted in writing prior to the expiration date of the voucher.

SHA may extend the term of the voucher beyond the total of 120 days if an extension is necessary to make the program accessible to a family member with a disability. The extension shall be for a specific period of time reasonably required for the accommodation.

Extensions up to 180 days may be granted upon receipt of the written request. Extensions beyond 180 days may also be granted, at the discretion of the HCV Deputy Director or designee, for extenuating circumstances.

SHA may examine all extenuating circumstances including, but not limited to:

- Extended hospitalization (i.e., more than 15 days);
- Death of an immediate family member;
- Inability to find a unit due to disability related unit accessibility requirements;
- Unit size requirements of five or more bedrooms; and/or
- Market conditions in high opportunity neighborhoods.

Verification of disability and/or extenuating circumstances may be required.

Preapproval Contact with the Receiving PHA

Prior to approving a family's request to move under portability, the initial PHA must contact the receiving PHA via e-mail or other confirmed delivery method to determine whether the receiving PHA will administer or absorb the family's voucher. Based on the receiving PHA's response, the initial PHA must determine whether it will approve or deny the move [24 CFR 982.355(c)(3)].

SHA Policy

SHA will use e-mail, when possible, to contact the receiving PHA regarding whether the receiving PHA will administer or absorb the family's voucher.

Initial Notification to the Receiving PHA

After approving a family's request to move under portability, the initial PHA must promptly notify the receiving PHA via email or other confirmed delivery method to expect the family [24 CFR 982.355(c)(3); 24 CFR 982.355(c)(7)]. The initial PHA must also advise the family how to contact and request assistance from the receiving PHA [24 CFR 982.355(c)(6)].

SHA Policy

Because the portability process is time-sensitive, SHA will notify the receiving PHA by phone, fax, or e-mail to expect the family. SHA will also ask the receiving PHA to provide any information the family may need upon arrival, including the name, fax, e-mail address, and telephone number of the staff person responsible for business with incoming portable families and procedures related to appointments for voucher issuance. SHA will pass this information along to the family. SHA will also ask for the name, address, telephone number, fax and e-mail of the person responsible for processing the billing information.

Sending Documentation to the Receiving PHA
The initial PHA is required to send the receiving PHA the following documents:

- Form HUD-52665, Family Portability Information, with Part I filled out [Notice PIH 2016-09]
- A copy of the family's voucher [Notice PIH 2016-09]
- A copy of the family's most recent form HUD-50058, Family Report, or, if necessary, in the case of an applicant family, family and income information in a format similar to that of form HUD-50058 [24 CFR 982.355(c)(7), Notice PIH 2016-09]
- Copies of the income verifications backing up the form HUD-50058, including a copy of the family's current EIV data [24 CFR 982.355(c)(7), Notice PIH 2016-09]

SHA Policy

In addition to these documents, SHA will provide the following information, if available, to the receiving PHA:

- Social security numbers (SSNs)
- Documentation of SSNs for all nonexempt household members whose SSNs have not been verified through the EIV system
- 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
- If applicable, information related to the family's health and medical care and disability assistance expense phased-in hardship exemption, including what stage the family is in and how many months remain in that phase-in stage

SHA will notify the family in writing regarding any information provided to the receiving PHA [HCV GB, p. 13-3].

Medical Documentation Not Shared Except with Family

SHA Policy

In order to comply with the federal privacy act rules regarding health-related information (HIPAA), SHA shall not send a portable family's medical documentation to a receiving PHA. SHA may indicate to the receiving PHA that SHA has approved an accommodation for the family, without providing any of the details of the basis for the approval. SHA shall give a copy of the medical documentation it has on file directly to the family, on request, for them to provide to the receiving PHA to document medical or disability-related accommodations, deductions, or allowances.

Initial Billing Deadline [Notice PIH 2016-09]
The deadline for submission of initial billing is 90 days following the expiration date of the voucher issued to the family by the initial PHA. In cases where suspension of the voucher delays the initial billing submission, the receiving PHA must notify the initial PHA of delayed billing before the billing deadline and document the delay is due to the suspension. In this case, the initial PHA must extend the billing deadline by 30 days.

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 notify the initial PHA in writing. The initial PHA may report to HUD the receiving PHA's failure to comply with the deadline.

If the initial PHA will honor the late billing, no action is required.

SHA Policy

If SHA has not received an initial billing notice from the receiving PHA within the billing deadline, a retroactive payment will be made and the PHA will be encouraged to make timely submissions in the future.

Monthly Billing Payments [24 CFR 982.355(e), Notice PIH 2016-09]
If the receiving PHA is administering the family's voucher, the receiving PHA bills the initial PHA for housing assistance payments and administrative fees. When reimbursing for administrative fees, the initial PHA must promptly reimburse the receiving PHA for the lesser of 80 percent of the initial PHA ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee for each program unit under contract on the first day of the month for which the receiving PHA is billing the initial PHA under portability. If the administrative fees are prorated for the HCV program, the proration will apply to the amount of the administrative fee for which the receiving PHA may bill [24 CFR 982.355(e)(2)].

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 overleasing or funding shortfalls. The PHA 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.

SHA Policy

SHA will utilize direct deposit to ensure that the payment is received by the deadline. If the receiving PHA notifies SHA that direct deposit is not acceptable to them a processing fee will be charged for paper checks. If SHA extends the term of the voucher, SHA's voucher will expire 30 calendar days from the new expiration date of the initial PHA's voucher.

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. The initial PHA must continue paying the receiving PHA based on the last form HUD-50058 received, unless instructed otherwise by HUD. The initial PHA may seek absorption of the vouchers by following steps outlined in Notice PIH 2016-09.

Denial or Termination of Assistance [24 CFR 982.355(c)(17)]
At any time, either the initial PHA or the receiving PHA may make a determination to deny or terminate assistance with the family in accordance with 24 CFR 982.552 and 24 CFR 982.553. (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)]. HUD may determine in certain instances that a PHA is not required to accept incoming portable families, such as a PHA in a declared disaster area. However, the PHA must have approval in writing from HUD before refusing any incoming portable families [24 CFR 982.355(b)].

Administration of the voucher must be in accordance with the receiving PHA's policies. This requirement also applies to policies of Moving to Work agencies. The receiving PHA procedures and preferences for selection among eligible applicants do not apply to the family, and the receiving PHA waiting list is not

used [24 CFR 982.355(c)(10)]. The family's unit, or voucher, size is determined in accordance with the subsidy standards of the receiving PHA [24 CFR 982.355(c)(12)], and the receiving PHA's policies on extensions of the voucher term apply [24 CFR 982.355(c)(14)].

Responding to Initial PHA's Request [24 CFR 982.355(c)]
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 [24 CFR 982.355(c)(3)]. 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 without consent of the initial PHA (24 CFR 982.355(c)(4).

SHA Policy

Upon receipt of the portability documentation from the initial PHA, SHA will respond via-email or other confirmed delivery method to the initial PHA's inquiry to determine whether the family's voucher will be billed or absorbed.

Other Denials of Incoming Portability
SHA will deny incoming portability if:

- The family has any obligation to SHA or any other housing authority to pay money, and the family has failed to pay the debt off in full;
- The family moved out of its assisted unit in violation of the lease; or
- The family's criminal background check fails to meet SHA's standards described in Chapter 3, Part III of this Plan.

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. The family's failure to comply may result in denial or termination of the receiving PHA's voucher [24 CFR 982.355(c)(8)].

If the voucher issued to the family by the initial PHA has expired, the receiving PHA must contact the initial PHA to determine if it will extend the voucher [24 CFR 982.355(c)(13)]. An informal hearing is not required when a voucher has expired without the family leasing a unit.

If for any reason the receiving PHA refuses to process or provide assistance to a family under the portability procedures, the family must be given the opportunity for an informal review or hearing [Notice PIH 2016-09]. (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 [Notice PIH 2016-09].

SHA Policy

SHA will not require the family to attend a briefing. Upon request, SHA will provide the family with a briefing packet (as described in Chapter 5) and, in an individual briefing, will orally inform the family about SHA's payment and subsidy standards, procedures for requesting approval of a unit, the unit inspection process, and the leasing process.

Income Eligibility and Reexamination
The receiving PHA does not redetermine eligibility for a portable family that was already receiving assistance in the initial PHA's voucher program [24 CFR 982.355(c)(9)]. If the receiving PHA opts to conduct a new reexamination for a current participant family, the receiving PHA may not delay issuing the family a voucher or otherwise delay approval of a unit [24 CFR 982.355(c)(11)].

SHA Policy

For any family moving into its jurisdiction under portability, SHA will issue a port in voucher to existing participants based on the most recent 50058 from the initiating housing authority.

For new admissions, port in vouchers will be issued after an examination of income is complete and eligibility is determined. If the family is a new admission, SHA will ensure that verifications are not more than 60 days. SHA will seek to avoid causing a delay in the issuance of a voucher.

In conducting its own reexamination, SHA will rely upon any verifications provided by the initial PHA to the extent that they (a) accurately reflect the family's current circumstances and (b) were obtained within the last 120 days. Any new information may be verified by documents provided by the family and adjusted, if necessary, when third party verification is received.

Voucher Issuance

When a family moves into its jurisdiction under portability, the receiving PHA is required to issue the family a voucher [24 CFR 982.355(c)(13)]. The family must submit a request for tenancy approval to the receiving PHA during the term of the receiving PHA's voucher [24 CFR 982.355(c)(15)].

Timing of Voucher Issuance

HUD expects the receiving PHA to issue the voucher within two weeks after receiving the family's paperwork from the initial PHA if the information is in order, the family has contacted the receiving PHA, and the family complies with the receiving PHA's procedures [Notice PIH 2016-09].

SHA Policy

SHA will 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 SHA's procedures.

Voucher Term

The term of the receiving PHA's voucher may not expire before 30 calendar days from the expiration of the initial PHA's voucher [24 CFR 982.355(c)(13)]. If the initial PHA extends the term of the voucher, the receiving PHA's voucher may not expire before 30 days from the new expiration date of the initial PHA's voucher [Notice PIH 2016-09].

SHA Policy

SHA's voucher will expire 30 calendars days from the expiration date of the initial PHA's voucher. If the initial PHA extends the term of the voucher, SHA's voucher will expire 30 calendar days from the new expiration date of the initial PHA's voucher.

Voucher Extensions [24 CFR 982.355(c)(14), Notice 2016-09]

Once the receiving PHA issues the portable family a voucher, the receiving PHA's policies on extensions of the voucher term apply. The receiving PHA must inform the initial PHA of any extension granted to the term of the voucher. It must also bear in mind the billing deadline provided by the initial PHA. Unless willing and able to absorb the family, the receiving PHA should ensure that any voucher expiration date would leave sufficient time to process a request for tenancy approval, execute a HAP contract, and deliver the initial billing to the initial PHA.

SHA Policy

SHA generally will not extend the term of the voucher that it issues to an incoming portable family unless SHA 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.

SHA may approve extensions requested by the initial PHA if such extensions are consistent with this Administrative Plan. However, if the family decides not to lease-up in SHA's jurisdiction, they must contact the initial PHA to request an extension.

SHA will consider an exception to this policy as a reasonable accommodation to a person with disabilities (see Chapter 2).

Voucher Suspensions [24 CFR 982.303, 24 CFR 982.355(c)(15)]

If the family submits a request for tenancy approval during the term of the receiving PHA's voucher, the PHA must suspend the term of that voucher. The term of the voucher stops from the date that the family submits a request for PHA approval of the tenancy until the date the PHA notifies the family in writing whether the request has been approved or denied [24 CFR 982.4(b)] (see Section 5-II. E).

Notifying the Initial PHA

The receiving PHA must promptly notify the initial PHA if the family has leased an eligible unit under the program or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the receiving PHA's voucher [24 CFR 982.355(c)(16)]. The receiving PHA is required to use Part II of form HUD-52665, Family Portability Information, for this purpose [Notice PIH 2016-09]. (For more on this topic and the deadline for notification, see below under "Administering a Portable Family's Voucher.")

If an incoming portable family ultimately decides not to lease in the jurisdiction of the receiving PHA but instead wishes to return to the initial PHA's jurisdiction or to search in another jurisdiction, the receiving PHA must refer the family back to the initial PHA. In such a case the voucher of record for the family is once again the voucher originally issued by the initial PHA. Any extension of search time provided by the receiving PHA's voucher is only valid for the family's search in the receiving PHA's jurisdiction [Notice PIH 2016-09].

Administering a Portable Family's Voucher

Portability Billing [24 CFR 982.355(e)]

To cover assistance for a portable family that was not absorbed, the receiving PHA bills the initial PHA for housing assistance payments and administrative fees. The amount of the housing assistance payment for a portable family in the receiving PHA's program is determined in the same manner as for other families in the receiving PHA's program.

The receiving PHA may bill the initial PHA for the lesser of 80 percent of the initial PHA's ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee for each program unit under contract on the first day of the month for which the receiving PHA is billing the initial PHA under portability. If the administrative fees are prorated for the HCV program, the proration will apply to the amount of the administrative fee for which the receiving PHA may bill (i.e., the receiving PHA may bill for the lesser of 80 percent of the initial PHA's prorated ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee).

If both PHAs agree, the PHA may negotiate a different amount of reimbursement.

SHA Policy

Unless SHA negotiates a different amount of reimbursement with the initial PHA, SHA will bill the initial PHA the maximum amount of administrative fees allowed, ensuring any administrative fee proration has been properly applied.

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) in time that the notice will be **received** no later than 90 days following the expiration date of the family's voucher issued by the initial PHA [Notice PIH 2016-09]. This deadline may be extended for 30 additional days if the delay is due to suspension of the voucher's term (see Initial Billing Section). 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.

SHA Policy

SHA 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 by the deadline, 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 overleased) [Notice PIH 2016-09].

Ongoing Notification Responsibilities [Notice PIH 2016-09, HUD-52665]

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.

SHA Policy

SHA will send a copy of the updated HUD-50058 by regular mail no later than 10 business days after the effective date of the reexamination.

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. If the receiving PHA fails to send Form HUD-52665 within 10 days of effective date of billing changes, the initial PHA is not responsible for any increase prior to notification. If the change resulted in a decrease in the monthly billing amount, the initial PHA will offset future monthly payments until the difference is reconciled.

Late Payments [Notice PIH 2016-09]

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 PHAs on the matter must be attached. The receiving PHA must send a copy of the memorandum to the initial PHA. If the OPH decides to grant the transfer, the billing arrangement on behalf of the family ceases with the transfer, but the initial PHA is still responsible for any outstanding payments due to the receiving PHA.

Overpayments [Notice PIH 2016-09]
In all cases where the receiving PHA has received billing payments for billing arrangements no longer in effect, the receiving PHA is responsible for returning the full amount of the overpayment (including the portion provided for administrative fees) to the initial PHA.

In the event that HUD determines billing payments have continued for at least three months because the receiving PHA failed to notify the initial PHA that the billing arrangement was terminated, the receiving PHA must take the following steps:

- Return the full amount of the overpayment, including the portion provided for administrative fees, to the initial PHA.
- Once full payment has been returned, notify the Office of Public Housing in the HUD area office with jurisdiction over the receiving PHA of the date and the amount of reimbursement to the initial PHA.

At HUD's discretion, the receiving PHA will be subject to the sanctions spelled out in Notice PIH 2016-09.

Denial or Termination of Assistance
At any time, the receiving PHA may make a determination to deny or terminate assistance to a portable family for family action or inaction [24 CFR 982.355(c)(17)].

In the case of a termination, the PHA should provide adequate notice of the effective date to the initial PHA to avoid having to return a payment. In no event should the receiving PHA fail to notify the initial PHA later than 10 business days following the effective date of the termination of the billing arrangement [HUD-52665; Notice PIH 2016-09].

SHA Policy

If SHA elects to deny or terminate assistance for a portable family, SHA will notify the initial PHA in writing of any termination of assistance within 10 business days of the termination. SHA 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.SHA will not notify the initial housing authority of the termination until the informal hearing process is complete. A copy of the hearing decision shall be furnished to the initial PHA.

The initial PHA is responsible for collecting any amounts owed by the family to the initial PHA, and for monitoring repayment. If the initial PHA notifies SHA that the family is in arrears or the family has refused, without good cause, to sign a payment agreement, SHA may terminate assistance to the family.

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 SHA has funding available under its annual contributions contract (ACC) [24 CFR 982.355(d)(1), Notice PIH 2016-09].

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, the receiving PHA must send an updated form HUD-52665 to the initial PHA no later than 10 business days following the effective date of the termination of the billing arrangement [Notice PIH 2016-09].

SHA Policy

If SHA decides to absorb a portable family upon the execution of a HAP contract on behalf of the family, SHA 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 SHA decides to absorb a family after that, it will provide the initial PHA with 30 days' advance notice, but no later than 10 business days following the effective date of the termination of the billing arrangement.

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 [24 CFR 982.355(e)(4)].

Chapter 11: Reexaminations

The PHA 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 and PHA 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.

In accordance with HUD requirements and SHA's Moving to Work Plan, SHA will re-examine the income and household composition of all families regularly. Recertifications and interim re-examinations will be processed in a manner that ensures families are given reasonable notice of decreases in the Housing Assistance Payment and corresponding increases in tenant rent (hereafter referred to as rent increases).

Part I: Annual Reexaminations [24 CFR 982.516]

11-I A. OVERVIEW

The PHA must conduct a re-examination 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.

11-I B.STREAMLINED ANNUAL REEXAMINATIONS [24 CFR 982.516(B) ; NEW HCV GB, REEXAMINATIONS]

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 rate of interest. 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. If at least 90 percent of the family's income is from fixed sources, the PHA may streamline the verification of fixed income and may choose whether to verify non-fixed income amounts in years where no fixed-income review is required. If the family receives less than 90 percent of its income from fixed sources, the PHA may streamline the verification of fixed income and must verify non-fixed income annually.

SHA Policy

SHA will streamline the annual reexamination process by applying the verified COLA or interest rate to fixed-income sources. SHA 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, SHA 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, SHA 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

The PHA 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].

SHA Policy

SHA will begin the annual reexamination process 120 days in advance of its scheduled effective date. Generally, SHA 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).

When a family moves to another dwelling unit, the annual recertification will not be re-scheduled to correspond with the effective date of the new HAP Contract.

SHA also may schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

MTW Households (MTW 10.H.10)

SHA will complete a full recertification on a triennial basis for families where all adults in the household are elderly or disabled (unless the entire household has no income). Other MTW families will be recertified annually.

During the years that a recertification is not conducted, an Annual Update will be completed to update any changes in Utility Estimate, Voucher Payment Standards, and standardized annual cost of living increases to fixed income sources as published by the Social Security Administration and the Veterans Administration, and standardized updates to state needs benefits (i.e., TANF or ABD).

Families will be notified in writing that an Annual Update has been processed which will include any changes to the Housing Assistance Payment and tenant share of the rent.

Hardship Policy

If a participant's family has been placed on the Triennial recertification schedule and believes this to create a hardship on the family, a waiver may be requested in writing to the Housing Authority. Hardship waivers will be reviewed by the HCV Deputy Director. Waivers will be granted if it is determined that there would be a reduction in the family's portion of housing costs as a result of a complete reexamination.

Notification of and Participation in the Annual Reexamination Process

The PHA is required to obtain the information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the PHA. However, PHAs should give tenants

who were not provided the opportunity the option to complete Form HUD-92006 at this time [Notice PIH 2009-36].

SHA Policy

Re-Examination Notice to the Family
SHA will maintain a re-examination tracking system and the household will be notified by mail of the recertification requirements 90 to 120 days in advance of the anniversary date. If requested as an accommodation by a person with a disability, SHA will provide the notice in an accessible format. SHA will also mail the notice to a third-party, if requested as reasonable accommodation for a person with disabilities.

Completion of Annual Recertification or Update and Notice of Change in Rent
SHA will complete annual re-certifications or updates for families before the anniversary date, including notifying the family of any increases in rent at least 30 days before the anniversary date. If the family's rent portion remains the same or decreases, SHA may give less than 30 days written notice to the family.

Persons with Disabilities
Persons with disabilities who are unable to complete their review by mail will be granted an accommodation which includes conducting the interview at the person's home or other location, as requested by the family, upon verification that the accommodation requested meets the need presented by the disability.

Collection of Information [24 CFR 982.516(f)]
SHA will require the family to complete a Personal Declaration form prior to the completion of an annual recertification.

SHA will contact the family and provide information and guidelines for completing the Personal Declaration form. In the correspondence, SHA will specify the date and time by which the family must complete the Declaration form and provide the required documentation. The Personal Declaration form must be completed online, and upon the family's request, assistance to complete the form is provided.

At the request of the family, SHA will conduct the annual recertification in person at SHA's office. The family may call to request an appointment up to 1 day prior to the document submission deadline date.

Requirements to Attend

In cases where the family has requested an in-person interview, the head of household is required to attend the recertification interview. If the head of household is unable to attend the interview, the appointment will be rescheduled.

11-I D. CONDUCTING ANNUAL REEXAMINATIONS

As part of the annual reexamination process, families are required to provide updated information to the PHA regarding the family's income, expenses, and composition [24 CFR 982.551(b)].

SHA Policy

In the notification letter to the family, SHA will include instructions for the family to submit the following:

- Documentation of all income declared by the family on their Personal Declaration and/or as requested by SHA;
- Verification of all assets, when the total value of assets is equal to or greater than $50,000 ($5,000 for non-MTW units);

- Documentation of any deductions/allowances declared by the family;
- Personal Declaration form completed by head of household, and signed and dated by all family members aged 18 and older; and
- Authorization for the Release of Information Forms completed by head of household and signed and dated by all family members aged 18 and older.

If the family fails to submit some or all of their required documents by the deadline noted in the first notification letter, and has not made prior arrangements with SHA, SHA will mail a second notification letter to the family. The second letter will outline the steps necessary for the family to complete their review.

If the family fails to respond to the second notice, and has not rescheduled or made prior arrangements, SHA will send the family notice of termination and offer them an informal hearing (See Chapter 12).

Exceptions to these policies may be made by the HCV Occupancy Manager if the family is able to document an emergency situation that prevented them from responding to the recertification notices, or, if requested, as a reasonable accommodation for a person with a disability.

SHA will follow the verification procedures and guidelines described in Chapter 9. Tenant-supplied verification documents for re-examinations must be current within 90 days of the submission deadline date stated in the family's initial notification letter.

Additionally, HUD recommends that at annual reexaminations PHAs ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state [Notice PIH 2012-28].

SHA Policy

At the annual reexamination, SHA will ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state. SHA may use the Dru Sjodin National Sex Offender database to verify the information provided by the tenant.

If the PHA proposes to terminate assistance based on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to termination. [24 CFR 5.903(f) and 5.905(d)]. (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 PHA 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 number
- A person's disability
- Citizenship or immigration status

If adding a new family member to the unit causes overcrowding according to the space standards (see chapter 8), SHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit available for rental by the family, SHA must terminate the HAP contract in accordance with its terms [24 CFR 982.403]

11-I E. DETERMINING ONGOING ELIGIBILITY OF CERTAIN STUDENTS [24 CFR 982.552(B)(5)]

Section 327 of Public Law 109-115 established new restrictions on the ongoing eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled in an institution of higher education is under the age of 24, is not a veteran, is not married, 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 reexamined along with the income eligibility of the student's parents on an annual basis. In these cases, both the student and the student's parents must be income eligible for the student to continue to receive HCV assistance. If, however, a student in these circumstances is determined independent from their parents or is considered a *vulnerable youth* in accordance with PHA policy, the income of the student's parents will not be considered in determining the student's ongoing eligibility.

Students who reside with parents in an HCV assisted unit are not subject to this provision. It is limited to students who are receiving assistance on their own, separately from their parents.

SHA Policy

During the annual reexamination process, SHA will determine the ongoing eligibility of each student who is subject to the eligibility restrictions in 24 CFR 5.612 by reviewing the student's individual income as well as the income of the student's parents. If the student has been determined "independent" from their parents or is considered a *vulnerable youth* based on the policies in Sections 3-II. E and 7-II.E, the parents' income will not be reviewed.

If the student is no longer income eligible based on their own income or the income of their parents, the student's assistance will be terminated in accordance with the policies in Section 12-I.D.

If the student continues to be income eligible based on their own income and the income of their parents (if applicable), SHA will process a reexamination in accordance with the policies in this chapter.

11-I F.EFFECTIVE DATES

The PHA must establish policies concerning the effective date of changes that result from an annual reexamination [24 CFR 982.516].

SHA Policy

Moves between Re-Examinations

When a family moves to another dwelling unit, the annual recertification will not be re-scheduled to correspond with the effective date of the new HAP Contract. Any change in family portion will take effect on the effective date of the lease.

Income limits are not used as a test for continued eligibility at recertification.

Tenant Rent Increases

If tenant rent increases, as the result of an annual reexamination, a 30-day notice is mailed to the family prior to the scheduled effective date of the annual recertification or update.

If less than 30 days are remaining before the scheduled effective date of the annual recertification or update, and the delay is not due caused by the participant, the tenant rent increase will be covered until the first of the month following the 30-day notice.

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

overpaid subsidy and may be offered a repayment agreement in accordance with the policies in chapter 16.

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

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by SHA by the date specified, and this delay prevents SHA from completing the reexamination as scheduled.

Redetermination of Annual Reexamination Effective Date
If SHA 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 SHA.

Part II: Interim Reexaminations [24 CFR 982.516]

11-II A. OVERVIEW

Family circumstances may change between annual reexaminations. HUD and PHA policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances the PHA must process interim reexaminations to reflect those changes. HUD regulations also permit the PHA 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 [HCV GB, p. 12-10].

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. The PHA must complete the interim reexamination within a reasonable time after the family's request.

This part includes HUD and the PHA policies describing what changes families are required to report, what changes families may choose to report, and how the PHA will process both PHA- and family-initiated interim reexaminations.

11-II B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

The family is required to report all changes in family composition. The PHA must adopt policies prescribing when and under what conditions the family must report changes in income and family composition. However, due to family obligations under the program, the PHA has limited discretion in this area.

SHA Policy

If any new family member is added, family income must include any income of the new family member. SHA will conduct an interim re-examination to review such additional income and will make the appropriate adjustments in the Housing Assistance Payment and family unit size.

New Family Members Not Requiring SHA Approval
The addition of a family member as a result of birth, adoption, or court-awarded custody does not require PHA approval. However, the family is required to promptly notify the PHA of the addition [24 CFR 982.551(h)(2)].

SHA Policy

For additions due to birth, adoption, or court-awarded custody, the family must report the new family member(s) within 10 days of the addition of the new member.

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 PHA 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)].

Although the PHA must verify aspects of program eligibility when any new family member is added, the Streamlining Final Rule removed the requirement that PHAs conduct a reexamination of income whenever a new family member is added. The PHA may state in policy that an income reexamination will be conducted.

If a change in family size causes a violation of space standards (see Chapter 8), the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the family's HAP contract in accordance with its terms [24 CFR 982.403].

SHA Policy

For all household additions other than those additions due to birth, adoption, or court-awarded custody, prior to the person(s) moving into the unit the household must; 1) first receive the landlord's approval of the household member to be added; and 2) after receiving the landlord's approval, receive SHA's approval of the person(s) to be added to the household.

This includes any person not on the lease who is expected to stay in the unit for more than 30 consecutive days or 90 cumulative days within a 12-month period and therefore no longer qualifies as a "guest."

Visitors/Unauthorized Adults in Unit Any adult not included on HUD Form 50058 who has been in the unit more than 30 consecutive days without SHA approval, or a total of 90 days in a 12-month period, will be considered to be living in the unit as an unauthorized household member. In extenuating circumstances, a participant may request an extension of these time periods which SHA will consider on a case-by-case basis.

Prospective adult additions must meet all standards for participant acceptance including a previous program compliance history, criminal history, and cannot owe money to any PHA. In addition, the household must continue to qualify for a voucher minimum HAP with the verified income of the modified household, including the additional person.

Minors may be added to the household if the subsidized residence will be their primary residence; that is, reside at the residence (at least 51% of the time). Documents that are acceptable evidence of primary residency include but are not limited to: signed income tax returns, school records, birth certificates, child support payment records, parenting agreements, notarized letters of parents or guardians regarding the residency of the minor, Medicaid or Social Security documentation, other relevant documentation from a state or federal agency, adoption decrees, and court orders. If an inconsistency is found, SHA may require additional documentation, such as proof of custody.

If any new family member is added, family income must include any income of the new family member. SHA will conduct an interim re-examination to review such additional income and will make the appropriate adjustments in the Housing Assistance Payment and family unit size.

Any new family member claiming to be a U.S. citizen or have eligible immigration status must be declared and verified as required before moving into the unit.

Departure of a Family or Household Member
Families must promptly notify the PHA 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.

SHA Policy

If a household member ceases to reside in the unit, the family must inform SHA 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.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform SHA within 10 business days.

11-II C. CHANGES AFFECTING INCOME OR EXPENSES

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

PHA-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by the PHA. They are not scheduled because of changes reported by the family.

SHA Policy

SHA will conduct interim reexaminations in each of the following instances:

For families receiving the Earned Income Disallowance (EID), there will be an interim reexamination at the end of the 12-month phase in and at the conclusion.

If at the time of the annual reexamination, tenant declarations were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, SHA will conduct an interim reexamination.

SHA may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.

Family-Initiated Interim Reexaminations

The PHA 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 the PHA the freedom to determine the circumstances under which families will be required to report changes affecting income.

SHA Policy

SHA requires that families report interim changes to SHA in writing within 10 business days of when the change occurs. Any information, document or signature from the family, which is needed to verify the change, must be provided by the deadline specified by SHA.

Effective October 1, 2005, for all changes in income received after October 1, 2005, SHA shall conduct interim re-examinations to increase rent when families report an increase in income in the following cases:

- Interim household additions;

- Any increase in income when a family previously reported no income source; and
- An increase in income that is greater than $200 per month.

SHA may conduct interim re-examinations when families report increases in income in other circumstances, if:

- The increase will have a material effect on the family's TTP (greater than 10 percent); or
- The increase follows a decrease in income, which resulted from the participant's voluntary action (e.g., a request to an employer to decrease hours, or a request to DSHS to reduce or eliminate TANF payments).

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)]. The PHA must process the request if the family reports a change that will result in a reduced family income [HCV GB, p. 12-9].

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

SHA Policy

Participants may report a decrease in income and other changes which would reduce the amount of tenant rent, such as an increase in allowances or deductions. SHA must calculate the change in tenant rent if a decrease in income is reported or increases in allowances or deductions.

Income Changes Resulting from Welfare Program Requirements

SHA Policy

SHA will not reduce the family share of rent for families whose welfare assistance is reduced due to a "specified welfare benefit reduction," which is a reduction in benefits by the welfare agency specifically because of:

- Fraud in connection with the welfare program; or
- Non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program.

However, SHA will reduce the rent if the welfare assistance reduction is a result of:

- The expiration of a lifetime time limit on receiving benefits;
- A reduction in welfare assistance resulting from the family's failure to obtain employment, after having complied with welfare program requirements; or
- A reduction in welfare assistance resulting from a family member's failure to comply with other welfare agency requirements.

Families Affected by Welfare Rules

Families are affected by the welfare rules discussed above if they receive benefits for welfare or public assistance from a state or public agency program which requires, as a condition of eligibility to receive assistance, the participation of a family member in an economic self-sufficiency program.

Definition of "Imputed Welfare Income"

"Imputed welfare income" is the amount of annual income, not actually received by a family, as a result of a specified welfare benefit reduction, that is included in the family's income for purposes of determining rent.

The amount of imputed welfare income is determined by SHA, based on written information supplied to SHA by the welfare agency, including:

- The amount of the benefit reduction;
- The term of the benefit reduction;
- The reason for the reduction; and
- Subsequent changes in the term or amount of the benefit reduction.

The family's annual income will include the imputed welfare income, as determined at the family's annual or interim re-examination, during the term of the welfare benefits reduction specified by the welfare agency.

The amount of imputed welfare income will be offset by the amount of additional income the family receives that commences after the sanction was imposed. When additional income from other sources is at least equal to the imputed welfare income, the imputed welfare income will be reduced to zero.

If the family was not an assisted resident when the welfare sanction began, imputed welfare income will not be included in annual income.

Verification before Denying a Request to Reduce Rent
SHA will obtain written verification or verbal phone verification from the welfare agency stating that the family's benefits have been reduced due to fraud or non-compliance with welfare agency economic self-sufficiency or work activity requirements before denying the family's request for rent reduction.

SHA will rely on the welfare agency's written notice or verbal phone verification regarding welfare sanctions.

Family Dispute of Amount of Imputed Welfare Income
If the family disputes the amount of imputed income, the Certification Specialist II along with HCV Manager will review the calculation for accuracy.

If SHA denies the family's request to modify the amount, SHA will provide the tenant with a notice of denial, which will include:

- An explanation for SHA's determination of the amount of imputed welfare income;
- A statement that the tenant may request an informal hearing; and
- A statement that the grievance information received from the welfare agency cannot be disputed at the informal hearing, and the issue to be examined at the informal hearing will be SHA's determination of the amount of imputed welfare income, not the welfare agency's determination to sanction the welfare benefits.

11-II D. PROCESSING THE INTERIM REEXAMINATION

Method of Reporting

SHA Policy

SHA requires that families report interim changes to SHA in writing within 10 business days of when the change occurs. Any information, document or signature needed from the family, which is needed to verify the change, must be provided by the deadline specified by SHA.

Interim reexaminations will be conducted through the mail unless the family requests that the review take place in person.

Effective Dates
The PHA 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 [HCV GB, p. 12-10].

SHA Policy

All participant requests for interim reviews must be submitted in writing. If the family fails to report a change within 10 business days of the change or fails to provide documentation or signatures in a timely manner at the request of SHA staff, it will be considered untimely reporting.

Procedures When the Change is reported in a Timely Manner
SHA will notify the family and the owner of any change in the Housing Assistance Payment, which will take effect according to the following guidelines:

- Increases in the tenant rent are effective on the first of the month following at least a 30-day notice; and
- Decreases in the tenant rent are effective the first of the month following the month in which the change is reported, within the limitations described above for timely notification of reduced income. In general, rent reductions will not be processed until all the facts have been verified. However, a change may be implemented based on documentation provided by the family, pending third-party written verification.

Procedures When the Change is Not Reported by the Family in a Timely Manner
The following guidelines will apply:

- Increases in tenant rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be liable for any overpaid housing assistance and may be required to sign a repayment agreement; and
- Decreases in tenant rent will be canceled if the family fails to submit all relevant documentation within required timeframes. The family will be required to report the change again when documentation is available.
- All requests for exceptions to the above standards will be referred to the appropriate Manager for final decision and follow-up.

Procedures When the Change is Not Processed by SHA in a Timely Manner
"Processed in a timely manner" means that the change goes into effect on the date it should, by policy, when the family reports the change in a timely manner. If the change cannot be made effective on that date, the change is not processed by SHA in a timely manner.

In the event that a change is not processed by SHA in a timely manner, an increase will be effective after the required 30-day notice prior to the first of the month after completion of processing by SHA.

If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective, and the owner will be credited for the amount the HAP was underpaid. The owner will then be responsible for crediting or reimbursing the family for any rent they overpaid during this period.

Part III: Recalculating Family Share and Subsidy Amount

11-III A. OVERVIEW

After gathering and verifying required information for an annual or interim reexamination, the PHA 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 the PHA'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 the PHA changes its payment standards or the family's situation changes, new payment standards are applied at the following times:

- If the PHA'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*, during the term of a HAP contract, the PHA is not required to reduce the payment standard as the HAP contract remains in effect. At the family's *second annual* reexamination, the PHA may, but is not required to, apply the decreased payment standard or may gradually implement the reduced payment standard (See Chapter 6 for the PHA's policy on decreases 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 the PHA's subsidy standards (see Chapter 5), the family will be notified of the new family unit size at their next annual reexamination. 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 notification.

Utility Allowances [24 CFR 982.517(d)]

The family share of the rent and HAP calculations must reflect any changes in the family's utility arrangement with the owner, or in the PHA's utility allowance schedule [HCV GB, p. 12-5]. Chapter 16 discusses how utility allowance schedules are established.

When there are changes in the utility arrangement with the owner, the PHA must use the utility allowances in effect at the time the new lease and HAP contract are executed.

At reexamination, the PHA must use the PHA's current utility allowance schedule [HCV GB, p. 18-8].

SHA Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first reexamination after the allowance is adopted.

11-III C. NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT

The PHA must notify the owner and family of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice must include the following information [HCV GB, p. 12-6]:

- 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 PHA'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).

SHA Policy

The notice to the family will include the annual and adjusted income amounts that were used to calculate the family share of the rent and the housing assistance payment. The notice also will state the procedures for requesting an informal hearing.

If a family disagrees with a rent adjustment, they may request an informal hearing.

11-III D. DISCREPANCIES

During an annual or interim reexamination, the PHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the PHA may discover errors made by the PHA. 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 mandatory and optional grounds for which a PHA can terminate a family's assistance. They also specify the circumstances under which an owner may terminate the tenancy of an assisted family. This chapter describes the policies that govern mandatory and optional terminations of assistance, and termination of tenancy by the owner.

Part I: Grounds for Termination of Assistance. This part describes the various circumstances under which assistance under the program can be terminated by the family or by SHA.

Part II: Approach to Termination of Assistance. This part describes the policies and the process that SHA will use in evaluating decisions on whether to terminate assistance due to actions or inactions of the family where termination is an option. It specifies the alternatives that SHA may consider in lieu of termination, the criteria SHA will use when deciding what action to take, and the steps SHA must take when terminating a family's assistance.

Part III: Termination of Tenancy by the Owner. This part describes the HUD policies that govern the owner's right to terminate an assisted tenancy.

Part I: Grounds for Termination of Assistance

12-I A. OVERVIEW

HUD requires the PHA to terminate assistance for certain actions and inactions of the family and when the family no longer requires assistance due to increases in family income. HUD permits the PHA to terminate assistance for certain other actions or inactions of the family. In addition, a family may decide to withdraw from the program and terminate their HCV assistance at any time by notifying the PHA.

12-I B. FAMILY NO LONGER REQUIRES ASSISTANCE [24 CFR 982.455]

As a family's income increases, the amount of the housing assistance payment decreases. If the amount of assistance provided by the PHA is reduced to zero, the family's assistance terminates automatically 180 days after the last HAP payment.

SHA Policy

MTW Families (MTW 13.H.02):

SHA is required to terminate assistance for participants if 180 days have elapsed since SHA's last Housing Assistance Payment of more than $50 was made.

If the family is still in the unit after 180 days, the assistance will be terminated. If, within the 180-day period, an owner's rent increase or a decrease in the family's Total Tenant Payment causes the family to be eligible for a Housing Assistance Payment of greater than $50, SHA will resume assistance payments for the family.

If the family chooses to move during the 180-day period, SHA will not issue a voucher to the household if the maximum HAP available for the family is $0. In this case the family's program participation will end at the move out date of the previous unit. If the family's maximum HAP is greater than $0 a voucher will be issued to the family. However, if the family chooses to move to a unit where the HAP for that unit is $0, SHA will not enter a HAP contract for the new unit. In this case the family's program participation will end at the move out date of the previous unit.

Non-MTW Families:

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 SHA of the change and request an interim reexamination before the expiration of the 180-day period.

12-I C. FAMILY CHOOSES TO TERMINATE ASSISTANCE

The family may request that the PHA terminate housing assistance payments on behalf of the family at any time.

SHA Policy

The request to terminate assistance should be made in writing and signed by the head of household, and spouse or cohead if applicable. Before terminating the family's assistance, SHA will follow the notice requirements in Section 12-II.F.

12-I D. HOUSING ASSURANCE OPTION

SHA Policy

SHA created the Housing Assurance Option to offer eligible participants who have recently ended their participation in the HCV program a fallback plan within 12 months of the end of their participation. Under this Option, former participants who are at risk of eviction or homelessness due to a change in their situation may reapply for housing.

The following criteria applies for determining eligibility for the Housing Assurance Option:

- Families who were terminated as a result of conditions described in 12-1.B .
- Any request for a household to return under the option would have to include the original head of household.
- Households are subject to criminal screening criteria and income eligibility review in accordance with the Housing Choice Voucher admission screening criteria, as stipulated in the Administrative Plan.
- Households must not owe debts to SHA or any other housing authorities
- Household income must not exceed 50% of the Area Median Income (AMI)
- All other eligibility factors apply (see Chapter 3)

Re-admission under the option will be treated as a special program and is not subject to the regular waitlist criteria.

12-I E.MANDATORY TERMINATION OF ASSISTANCE

HUD requires the PHA to terminate assistance in the following circumstances.

Eviction [24 CFR 982.552(b)(2), 24 CFR 5.2005(c)(1)]

The PHA 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. As discussed further in section 12-II. E, incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking.

SHA 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. In such cases SHA 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 12II.C. In making its decision, SHA will consider the factors described in sections 12-II. D and 12-II.E. Upon consideration of such factors, SHA may, on a case-by-case basis, choose not to terminate assistance.

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 criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests.

Failure to Provide Consent [24 CFR 982.552(b)(3)]
The PHA must terminate assistance if any family member fails to sign and submit any consent form they are required to sign for a regular or interim reexamination. See Chapter 7 for a complete discussion of consent requirements.

Failure to Document Citizenship [24 CFR 982.552(b)(4) and [24 CFR 5.514(c)]
The PHA must terminate assistance if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family; or (3) a family member, as determined by the PHA, 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 Disclose and Document Social Security Numbers [24 CFR 5.218(c), Notice PIH 2012-10]
The PHA must terminate assistance if a participant family fails to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

However, if the family is otherwise eligible for continued program assistance, and the PHA determines that the family's failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside of the family's control, the PHA may defer the family's termination and provide the opportunity to comply with the requirement within a period not to exceed 90 calendar days from the date the PHA determined the family to be noncompliant.

SHA Policy

SHA will defer the family's termination and provide the family with the opportunity to comply with the requirement for a period of 90 calendar days for circumstances beyond the 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 there is a reasonable likelihood that the participant will be able to disclose an SSN by the deadline.

Methamphetamine Manufacture or Production [24 CFR 982.553(b)(1)(ii)]
The PHA 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.

Lifetime Registered Sex Offenders [Notice PIH 2012-28]
Should a PHA discover that a member of an assisted household was subject to a lifetime registration requirement at admission and was erroneously admitted after June 25, 2001, the PHA must immediately terminate assistance for the household member.

In this situation, the PHA 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, the PHA must terminate assistance for the household.

Failure of Students to Meet Ongoing Eligibility Requirements [24 CFR 982.552(b)(5) and FR 4/10/06]
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 children, is not residing with their parents in an HCV assisted household, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the PHA must the terminate the student's assistance if, at the time of reexamination, either the student's income or the income of the student's parents (if applicable) exceeds the applicable income limit.

If a participant household consists of both eligible and ineligible students, the eligible students shall not be terminated, but must be issued a voucher to move with continued assistance in accordance with program regulations and PHA policies, or must be given the opportunity to lease in place if the terminated ineligible student members elect to move out of the assisted unit.

Death of the Sole Family Member [24 CFR 982.311(d) and Notice PIH 2010-9]
The PHA must immediately terminate program assistance for deceased single member households.

12-I F. MANDATORY POLICIES AND OTHER AUTHORIZED TERMINATIONS

Mandatory Policies [24 CFR 982.553(b) and 982.551(l)]
HUD requires the PHA to establish policies that permit the PHA to terminate assistance if the PHA determines that:

- Any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents
- Any household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents
- Any household member has violated the family's obligation not to engage in any drug-related criminal activity
- Any household member has violated the family's obligation not to engage in violent criminal activity

SHA recognizes the need to ensure a healthy, safe and peaceful living environment in communities within which its families are leasing up. Police reports, criminal background, and other reports provide useful information to determine patterns of criminal activity. In addition, SHA recognizes that arrest and incarceration rates have risen to unprecedented levels in the last 20 years, and the data demonstrates disproportionately higher rates of incarceration for persons of color and from lower socio-economic backgrounds. SHA believes that policies which automatically deny persons with a criminal history is a social justice issue, poses a barrier to affordable housing, and can contribute to systemic homelessness.

To that end, when implementing the Use of Illegal Drugs and Alcohol Abuse and Drug-Related and Violent Criminal Activity policy, SHA utilizes criminal background and police reports, but also provides opportunities such as a secondary review process, in order to allow families to demonstrate that criminal behavior reported is inaccurate.

Use of Illegal Drugs and Alcohol Abuse

SHA Policy

SHA may terminate the assistance for the illegal use of a drug by a household member.

SHA may consider whether the household member is enrolled in a supervised drug or alcohol rehabilitation program. For this purpose, SHA may require evidence of the household member's enrollment in a supervised drug or alcohol rehabilitation program.

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.

SHA Policy

SHA may terminate a family's assistance if any household member, guest, or other person under the family's control has violated the family's obligation not to engage in any drug-related or violent criminal activity during participation in the HCV program.

Other Authorized Reasons for Termination of Assistance [24 CFR 982.552(c), 24 CFR 5.2005(c), 24 CFR 984.101(d)]

HUD permits the PHA to terminate assistance under a number of other circumstances. It is left to the discretion of the PHA whether such circumstances in general warrant consideration for the termination of assistance. As discussed further in section 12-II. E, the Violence against Women Act of 2013 explicitly prohibits PHAs from considering incidents of, or criminal activity directly related to, domestic violence, dating violence, sexual assault, or stalking as reasons for terminating the assistance of a victim of such abuse.

Additionally, per 24 CFR 984.101(d), PHAs are no longer permitted to terminate assistance to a family due to the family's failure to meet its obligations under the Family Self-Sufficiency (FSS) contract of participation.

SHA Policy

SHA **may** terminate a family's assistance if:

The family has failed to comply with any family obligations under the program. See Exhibit 12-1 for a listing of family obligations and related PHA policies.

Discovery of facts after admission that would have made the resident ineligible for the program.

Discovery of materially false statements or representations by the resident.

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 Section 8 or public housing assistance under the 1937 Act.

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 SHA.

A family member has engaged in or threatened violent or abusive behavior toward SHA 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, SHA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II. D and 12-II.E. Upon consideration of such alternatives and factors, SHA may, on a case-by-case basis, choose not to terminate assistance.

Family Absence from the Unit [24 CFR 982.312]

The family may be absent from the unit for brief periods. The PHA must establish a policy on how long the family may be absent from the assisted unit. However, the family may not be absent from the unit for a period of more than 180 consecutive calendar days for any reason. Absence in this context means that no member of the family is residing in the unit.

SHA Policy

If the entire family is absent from a contracted unit for more than 180 consecutive days or if SHA otherwise determines that the unit has been vacated or abandoned, the unit will be considered to be vacated and the program participation will be terminated. Notice of termination will be sent in accordance with Section 12-II.F.

Insufficient Funding [24 CFR 982.454]

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

SHA Policy

[Board Resolution 4708 dated July 21, 2003]

SHA will determine whether there is sufficient funding to pay for currently assisted families according to the policies in Part VIII of Chapter 16. If SHA determines there is a shortage of funding, prior to terminating any HAP contracts, SHA will determine if any other actions can be taken to reduce program costs.

If after implementing all reasonable cost cutting measures there is not enough funding available to provide continued assistance for current participants, SHA will terminate HAP contracts as a last resort.

Prior to terminating any HAP contracts, SHA will inform the local HUD field office. SHA will terminate the minimum number needed in order to reduce HAP costs to a level within SHA's annual budget authority.

If SHA must terminate HAP contracts due to insufficient funding, SHA will do so in accordance with the following criteria and instructions:

1. Current participants in the tenant-based voucher program, including funds needed to increase payment standards appropriately to keep pace with market rents;
2. Project-based units under contract with SHA or which have written commitments from SHA to provide project-based assistance, as of the date that SHA notifies the City of Seattle's Office of Housing of anticipated funding shortfalls in the HCV program; and
3. All other new units.

In the event that SHA anticipates or is informed of federal appropriations reductions in Housing Choice Vouchers that would affect SHA's allocation, SHA will seek to convene a meeting with the Seattle Office of Housing and affordable housing stakeholders to inform them of potential consequences and to receive input on any additional strategies to adapt to a reduced appropriation level.

Part II: Approach to Termination of Assistance

12-II A. OVERVIEW

The PHA is required by regulation to terminate a family's assistance for certain actions or inactions of the family. For other types of actions or inactions of the family, the regulations give the PHA the authority to either terminate the family's assistance or to take another action. This part discusses the various actions the PHA may choose to take when it has discretion, and outlines the criteria the PHA will use to make its decision about whether or not to terminate assistance. It also specifies the requirements for the notification to the family of the PHA's intent to terminate assistance.

12-II B. METHOD OF TERMINATION [24 CFR 982.552(A)(3)]

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

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

12-II C. ALTERNATIVES TO TERMINATION OF ASSISTANCE

Change in Household Composition

As a condition of continued assistance, the PHA 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)].

SHA Policy

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

Repayment of Family Debts

SHA Policy

If a family owes amounts to SHA, as a condition of continued assistance, SHA will require the family to repay the full amount or to enter into a repayment agreement, within 30 days of receiving notice from SHA 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 the PHA 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)].

SHA Policy

SHA will use the concept of the preponderance of the evidence as the standard for making all termination decisions.

If the family requests a hearing, SHA shall be required to establish, by a preponderance of the evidence, that a termination for criminal activity is justified. SHA may terminate assistance whether the household member has been arrested or convicted for such activity or not.

"Preponderance of evidence" is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

"Credible evidence" may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence can be considered credible evidence.

Other credible evidence includes documentation of drug raids or arrest warrants.

Confidentiality of Criminal Records
If SHA obtains criminal record information from a State or local agency showing that a household member has been convicted of a crime that may result in a denial of continued participation in the program, SHA will notify the household of the proposed action to be based on the information and will provide the subject of the record and the participant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information. (24 CFR 5.903(f)).

As a condition of SHA's agreement with the Seattle Police Department, SHA may not make or furnish copies of confidential police reports. SHA may show the participant SHA's copy of the police report. Parties to the police report may obtain their own copies of the police report at their own expense at the local police department.

SHA will maintain the confidentiality of any criminal record received and take reasonable precautions to ensure that such records are not misused or improperly disseminated. Such records shall be destroyed when the purpose for which they were requested has been accomplished.

Misuse of the above information by any employee will be grounds for termination of employment.

Consideration of Circumstances [24 CFR 982.552(c)(2)(i)]
The PHA is permitted, but not required, to consider all relevant circumstances when determining whether a family's assistance should be terminated.

SHA Policy

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

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]
If the family includes a person with disabilities, the PHA's decision to terminate the family's assistance is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

SHA Policy

If termination is based upon behavior resulting from a disability and SHA receives a request for a reasonable accommodation, SHA will delay a decision on the denial or termination pending a

decision on the request for reasonable accommodation. SHA 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.

Option Not to Terminate for Misrepresentation [24 CFR 982.551, 982.552(c)]

If the family has misrepresented any facts that caused the PHA to overpay assistance, the PHA may terminate assistance or offer to continue assistance provided that the family executes a repayment agreement and makes payments in accordance with the agreement and/or reimburses the PHA in full.

12-II E. TERMINATIONS RELATED TO DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT OR STALKING

This section describes the protections against termination of assistance that the Violence against Women Act of 2013 (VAWA) provides for victims of domestic violence, dating violence, sexual assault and stalking. For general VAWA requirements, key VAWA definitions, and PHA policies pertaining to notification, documentation, and confidentiality, see section 16-IX of this plan.

VAWA Protections against Termination

VAWA provides four specific protections against termination of HCV assistance for victims of domestic violence, dating violence, sexual assault or stalking. (*Note:* The second, third, and fourth protections also apply to terminations of tenancy or occupancy by owners participating in the HCV program, as do the limitations discussed under the next heading.)

First, VAWA provides that a PHA 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 the PHA, 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, sexual assault or stalking and who reasonably believed they were imminently threatened by harm from further violence if they remained in the unit [24 CFR 982.354(b)(4)].

Second, it provides that an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault 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, sexual assault 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 affiliated individual or other individual is the actual or threatened victim of the domestic violence, dating violence, or stalking [24 CFR 5.2005(c)(2)].

Fourth, it gives PHAs 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 a PHA to terminate the assistance of a victim of abuse for reasons unrelated to domestic violence, dating violence, sexual assault or stalking so long as the PHA 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 a PHA to terminate the assistance of a victim of domestic violence, dating violence, sexual assault or stalking if the PHA 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)]

In order to demonstrate an actual and imminent threat, the PHA must have objective evidence of words, gestures, actions, or other indicators. Even when a victim poses an actual and imminent threat, however, HUD regulations authorize a PHA 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)].

SHA Policy

In determining whether a program participant who is a victim of domestic violence, dating violence, sexual assault or stalking is an actual and imminent threat to other tenants or those employed at or providing service to a property, SHA 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, sexual assault or stalking

Whether the threat is a physical danger beyond a speculative threat

Whether the threat is likely to happen within an immediate time frame

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 SHA's determination that they are 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]

SHA Policy

When an individual facing termination of assistance for reasons related to domestic violence, dating violence, sexual assault or stalking claims protection under VAWA, SHA will request that the individual provide documentation supporting the claim in accordance with the policies in section 16-IX.D of this plan.

SHA 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 SHA 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 the PHA 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 the PHA 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 PHA 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].

If the perpetrator remains in the unit, the PHA continues to pay the owner until the PHA terminates the perpetrator from the program. The PHA must not stop paying HAP until 30 days after the owner bifurcates the lease to evict the perpetrator. The PHA may pay HAP for the full month if the 30-day period will end mid-month [Notice PIH 2017-08].

If the perpetrator is the only participant eligible to receive assistance, the PHA will provide any remaining participant a chance to establish eligibility for the program. If the remaining participant cannot do so, the PHA will provide them with 30 days to establish eligibility for another housing program prior to termination of the HAP contract.

SHA Policy

SHA will terminate assistance to a family member if SHA 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, SHA will consider all credible evidence, including, but not limited to, a signed certification (form HUD-5382) or other documentation of abuse submitted to SHA by the victim in accordance with this section and section 16IX.D. SHA will also consider the factors in section 12-II.D. Upon such consideration, SHA may, on a case-by-case basis, choose not to terminate the assistance of the culpable family member.

If SHA 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

HUD regulations require PHAs to provide written notice of termination of assistance to a family only when the family is entitled to an informal hearing. However, since the family's HAP contract and lease will also terminate when the family's assistance terminates [form HUD-52641], it is a good business practice to provide written notification to both owner and family anytime assistance will be terminated, whether voluntarily or involuntarily.

SHA Policy

In any case where SHA decides to terminate assistance to the family, SHA must give the family written notice which states:

- The reason(s) for the proposed termination;
- The effective date of the proposed termination;
- The family's right, if they disagree, to request a hearing to be held before assistance is terminated; and
- The date by which a request for a hearing must be received by SHA.
- SHA's obligation to report debts owed and reason for termination to HUD via the Enterprise Income Verification system. A copy of HUD Form-52675 shall also be provided.

SHA will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the termination of assistance. The notice to the owner will not include any details regarding the reason for termination of assistance.

If a family whose assistance is being terminated is entitled to an informal hearing, the notice of termination that SHA sends to the family must meet the additional HUD and SHA notice requirements discussed in section 16-III.C of this plan. VAWA 2013 expands notification requirements to require PHAs to provide notice of VAWA rights and the HUD 5382 form when a PHA terminates a household's housing benefits.

SHA Policy

Whenever SHA decides to terminate a family's assistance because of the family's action or failure to act, SHA will include in its termination notice the VAWA information described in section 16-IX.C of this plan and a form HUD-5382 and form HUD-5380. SHA will request in writing that a family member wishing to claim protection under VAWA notify SHA within 14 business days.

Still other notice requirements apply in two situations:

- If a criminal record is the basis of a family's termination, SHA must provide a copy of the record to the subject of the record and the tenant so that they have an opportunity to dispute the accuracy and relevance of the record [24 CFR 982.553(d)(2)].
- If immigration status is the basis of a family's termination, as discussed in section 12-I.D, the special notice requirements in section 16-III.D must be followed.

Part III: Termination of Tenancy by the Owner

12-III A. OVERVIEW

Termination of an assisted tenancy is a matter between the owner and the family; the PHA is not directly involved. However, the owner is under some constraints when terminating an assisted tenancy. Termination of tenancy for certain reasons will also result in termination of assistance as discussed in this section.

12-III B.GROUNDS FOR OWNER TERMINATION OF TENANCY [24 CFR 982.310, 24 CFR 5.2005(C), 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, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking and the victim is protected from eviction by the Violence against Women Act of 2013 (see section 12-II.E). A serious lease violation includes failure to pay rent or other amounts due under the lease. However, the PHA'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
- Any drug-related criminal activity on or near the premises

However, in the case of criminal activity directly related to domestic violence, dating violence, sexual assault or stalking, if the tenant or an affiliated individual is the victim, the criminal activity may not be construed as cause for terminating the victim's tenancy (see section 12-II.E).

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 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 the covered person has engaged in the criminal activity, regardless of whether the covered person has been arrested or convicted for such activity and without satisfying the standard of proof used for a criminal conviction. This is the case except in certain incidents where the criminal activity directly relates to domestic violence, dating violence, sexual assault, or stalking, and the tenant or an affiliated individual is the victim or threatened victim of the domestic violence, dating violence, sexual assault, or stalking.

Other Good Cause
During the initial lease term, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the family did or failed to do. During the initial lease term or during any extension term, other good cause includes the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, "other good cause" for termination of tenancy by the owner includes:

- Failure by the family to accept the offer of a new lease or revision
- The owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit
- 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 the PHA a copy of any eviction notice at the same time the owner notifies the family. The family is also required to give the PHA a copy of any eviction notice (see Chapter 5).

SHA Policy

If the owner wishes to terminate the lease, the owner must provide proper written notice as stated in the lease, at or before the commencement of the eviction action, specifying the grounds for termination of tenancy. The owner eviction notice includes any notice to vacate, or a complaint, or other initial pleading used under state or local law to commence an eviction action.

SHA requires that the owner specify the section of the lease that has been violated and cite some or all of the ways in which the tenant has violated that section, as documentation for SHA's decision regarding termination of assistance.

If the eviction action is finalized in court, the owner must provide SHA with documentation related to the eviction, including notice of the eviction date, as soon as possible, but no later than 5 business days following the court-ordered eviction.

12-III D. DECIDING WHETHER TO TERMINATE TENANCY [24 CFR 982.310(H), 24 CFR 982.310(H)(4)]

An owner who has grounds to terminate a tenancy is not required to do so, and may consider all of the circumstances relevant to a particular case before making a decision. These might include:

- The nature of the offending action
- The seriousness of the offending action;
- The effect on the community of the termination, or of the owner's failure to terminate the tenancy;
- The extent of participation by the leaseholder in the offending action;
- The effect of termination of tenancy on household members not involved in the offending activity;
- The demand for assisted housing by families who will adhere to lease responsibilities;
- The extent to which the leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action;
- The effect of the owner's action on the integrity of the program.

The owner may require a family to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

In determining whether to terminate tenancy for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the owner may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the owner may require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

The owner's termination of tenancy actions must be consistent with the fair housing and equal opportunity provisions in 24 CFR 5.105.

An owner's decision to terminate tenancy for incidents related to domestic violence, dating violence, sexual assault or stalking is limited by the Violence against Women Act of 2013 (VAWA) and the conforming regulations in 24 CFR Part 5, Subpart L. (See section 12-II.E.)

12-III E. EFFECT OF TENANCY TERMINATION ON THE FAMILY'S ASSISTANCE

If an eviction is not due to a serious or repeated violation of the lease, and if the PHA has no other grounds for termination of assistance, the PHA 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 the PHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by the PHA 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.

  SHA Policy

  If the tenant fails to maintain the unit in accordance with the lease and the owner provides SHA with documentation of the lease violations and the owner's own steps to enforce the lease, SHA may terminate assistance to the family for failure to satisfy a family obligation under the program, including failing to maintain HQS.

- The family must allow the PHA 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.

  SHA Policy

  SHA 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, living or housekeeping habits that cause damage to the unit or premises, and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests. Any incidents of, or criminal activity related to, domestic violence, dating violence, sexual assault or stalking will not be construed as serious or repeated lease violations by the victim [24 CFR 5.2005(c)(1)].

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

  SHA Policy

  The family must comply with lease requirements regarding written notice to the owner. The family must provide written notice to SHA at the same time the owner is notified.

- The family must promptly give the PHA a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- The composition of the assisted family residing in the unit must be approved by the PHA. The family must promptly notify the PHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request PHA approval to add any other family member as an occupant of the unit.

SHA Policy

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

- The family must promptly notify the PHA in writing if any family member no longer lives in the unit.
- If the PHA has given approval, a foster child or a live-in aide may reside in the unit. The PHA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when PHA 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.

SHA 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 or certification requested by the PHA to verify that the family is living in the unit, or relating to family absence from the unit, including any PHA-requested information or certification on the purposes of family absences. The family must cooperate with SHA for this purpose.
- The family must promptly notify the PHA when the family is absent from the unit.

SHA 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 SHA 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 PHA policies related to alcohol abuse.
- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA 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

Owners play a major 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.

The chapter is organized in two parts:

> Part I: Owners in the HCV Program. This part discusses the role of an owner in the PHA's HCV program and highlights key owner rights and responsibilities.
>
> Part II: HAP Contracts. This part explains provisions of the HAP contract and the relationship between the PHA and the owner as expressed in the HAP contract.

For detailed information about HCV program responsibilities and processes, including PHA 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

PHAs are responsible for ensuring that very low income families have access to all types and ranges of affordable housing in the PHA's jurisdiction, particularly housing outside areas of poverty or minority concentration. A critical element in fulfilling this responsibility is for the PHA to ensure that a sufficient number of owners, representing all types and ranges of affordable housing in the PHA's jurisdiction, are willing to participate in the HCV program.

To accomplish this objective, PHAs must identify and recruit new owners to participate in the program.

> **SHA Policy**
>
> Seattle Housing encourages owners of decent, safe and sanitary housing units to lease to Housing Choice Voucher families. To this end, Seattle Housing may:
>
> - Create and distribute informational materials about the Housing Choice Voucher Program specifically for potential landlords;
> - Establish a landlord advisory group including both for-profit and non-profit housing providers, that will advise Seattle Housing on matters of concern to landlords in the operation of Seattle Housing's Housing Choice Voucher Program;
> - Distribute an owner's newsletter including updates on program guidelines and opportunities for landlords to benefit from the Housing Choice Voucher Program;
> - Provide training in landlord-tenant law, Fair Housing, and other property management issues of interest to owners of assisted properties;
> - Make presentations at local associations of for-profit and non-profit owners describing the benefits of participating in the Housing Choice Voucher Program;
> - Conduct surveys of owners to determine their satisfaction and priorities for improvements in the operation of the Housing Choice Voucher Program;
> - Establish policies which encourage Housing Choice Voucher Program participants to act responsibly in their relationship with their landlords;

- Establish policies which reward “high performing” landlords for consistently responsible participation in the Housing Choice Voucher Program and high-quality service to assisted tenants; and
- Review all proposed new policies or modifications of current policies and procedures for their potential impact on participating owners.
- Provide incentives, to encourage participation of landlords/owners.

Policy Regarding Encouraging Owners of Units outside Areas of Poverty or Minority Concentration

Seattle Housing encourages program participation by owners of units located outside areas of poverty or minority concentration. And provides voucher holders with information on leasing units in all Seattle neighborhoods.

Retention

In addition to recruiting owners to participate in the HCV program, the PHA must also provide the kind of customer service that will encourage participating owners to remain active in the program.

SHA Policy

All SHA 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.

SHA will provide owners with a document that explains the program, including HUD and PHA policies and procedures, in easy-to-understand language.

SHA will give special attention to helping new owners succeed through activities that may include:

- Providing the owner with a designated PHA contact person.
- Coordinating inspection and leasing activities between SHA, the owner, and the family.
- Initiating contact with the owner to explain the inspection process and providing information and other resource materials about HUD housing quality standards.
- Providing other written information about how the program operates, including answers to frequently asked questions.

Additional services may be undertaken on an as-needed basis, and as resources permit.

13-I B. BASIC HCV PROGRAM REQUIREMENTS

HUD requires the PHA to assist families in their housing search by providing the family with a list of landlords or other parties known to the PHA who may be willing to lease a unit to the family, or to help the family find a unit. Although the PHA cannot maintain a list of owners that are pre-qualified to participate in the program, owners may indicate to the PHA 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)].

SHA Policy

SHA encourages housing providers to list vacant units on the SHA website (https://www.seattlehousing.org/list-your-rental-with-sha) or other affordable housing websites. SHA will make efforts to use new technology, social media, and other evolving platforms to reach more housing providers.

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 unassisted tenant. The PHA has no liability or responsibility to the owner or other persons for the family’s behavior or suitability for tenancy. See chapters 3 and 9 for more detail on tenant family screening policies and process.

If the owner is willing, the family and the owner must jointly complete a Request for Tenancy Approval (RFTA, Form HUD 52517), which constitutes the family's request for assistance in the specified unit, and which documents the owner's willingness to lease to the family and to follow the program's requirements. When submitted to the PHA, 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 RFTA 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 requirements for the approval of an assisted tenancy.

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. See chapter 9 for more detail on unit eligibility policies and process.

The selected unit must meet HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) and/or equivalent state or local standards approved by HUD [24 CFR 982.305(a)]. SHA will inspect the owner's dwelling unit at least biennially to ensure that the unit continues to meet inspection requirements. See Chapter 8 for a discussion of the NSPIRE standards and policies for NSPIRE inspections at initial lease-up and throughout the family's tenancy.

The PHA must determine that the proposed rent for 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, if the gross rent exceeds the applicable payment standard, the PHA must ensure that the family share does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)] or, for MTW, 40 percent of the family's monthly gross income, which shall include exempt income in the calculation of adjusted income for this purpose (MTW 10.H.01). 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. The HUD Tenancy Addendum includes the HUD requirements governing the tenancy and must be added word-for-word to the owner's lease. See chapter 9 for a discussion of the dwelling lease and tenancy addendum, including lease terms and provisions.

The PHA and the owner must execute a Housing Assistance Payment (HAP) Contract (Form HUD-52641). The HAP contract format is prescribed by HUD. See chapter 9 for a discussion of the HUD requirements for execution of the HAP contract.

13-I C. OWNER RESPONSIBILITIES [24 CFR 982.452]

The basic owner responsibilities in the HCV program are outlined in the regulations as follows:

- Complying with 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 National Standards for the Physical Inspection of Real Estate (NSPIRE), including performance of ordinary and extraordinary maintenance
- Complying with equal opportunity requirements
- Preparing and furnishing to the PHA information required under the HAP contract
- Collecting the security deposit, the tenant rent, and any charges for unit damage by the family.
- Enforcing tenant obligations under the dwelling lease
- Paying for utilities and services that are not the responsibility of the family as specified in the lease
- Allowing 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

The PHA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where the PHA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program [24 CFR 982.306(e)].

Owners Barred from Participation [24 CFR 982.306(a) and (b)]

The PHA must not approve the assisted tenancy if the PHA has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24. HUD may direct the PHA 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]

The PHA must not approve a tenancy if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. The PHA 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.

SHA Policy

Unless the lease between the owner and the participant was effective prior to June 17, 1998, the owner may not be a parent, child, grandparent, grandchild, sister or brother of any participant. SHA may waive this restriction as a reasonable accommodation when a household member is a person with a disability.

Owners may not live in the same unit with assisted family members in a lease-shared housing arrangement unless specifically approved by HUD.

In cases where the owner and tenant bear the same last name, SHA may, at its discretion, require the participant and/or owner to state whether they are related to each other, and if so in what manner.

For purposes of this policy, “owner” includes a principal or other interested party.

Conflict of Interest [24 CFR 982.161; HCV GB p. 8-19; Form HUD-52641, Section 13]
The PHA 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 the PHA, or any contractor, subcontractor or agent of the PHA, 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

Such "covered individual" may not have any direct or indirect interest in the HAP contract or in any benefits or payments under the contract (including the interest of an immediate family member of such covered individual) while such person is a covered individual or for one year thereafter.

Immediate family member means the spouse, parent (including a stepparent), child (including a stepchild), grandparent, grandchild, sister, or brother (including a stepsister or stepbrother) of any covered individual.

HUD may waive the conflict of interest requirements, except for members of Congress, for good cause. The PHA must submit a waiver request to the appropriate HUD Field Office for determination.

Any waiver request submitted by the PHA must include the following [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, the PHA, 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 their duties under state or local law, including reference to any responsibilities involving the HCV program;
- If the case involves employment of a family member by the PHA or assistance under the HCV program for an eligible PHA employee, explanation of the responsibilities and duties of the position, including any related to the HCV program;
- If the case involves an investment on the part of a member, officer, or employee of the PHA, description of the nature of the investment, including disclosure/divestiture plans.

Where the PHA has requested a conflict of interest waiver, the PHA may not execute the HAP contract until HUD has made a decision on the waiver request.

SHA Policy

In considering whether to request a conflict of interest waiver from HUD, SHA will consider certain factors such as consistency of the waiver with state and local laws, the existence of alternative housing available to families, the individual circumstances of a particular family, the specific duties of individuals whose positions present a possible conflict of interest, the nature of any

financial investment in the property and plans for disclosure/divestiture, and the possible appearance of impropriety.

Owner Actions That May Result in Disapproval of a Tenancy Request [24 CFR 982.306(c)]
HUD regulations permit the PHA to disapprove a request for tenancy for various actions and inactions of the owner.

If the PHA 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].

SHA Policy

An owner may be disapproved for any of the following reasons:

- The owner has violated obligations under a Housing Assistance Payment Contract under Section 8 of the 1937 Act (42 U.S.C. 1437f), a lease with a tenant assisted by the program, or the HUD Tenancy Addendum;
- The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- The owner has engaged in drug-related criminal activity or any violent criminal activity;
- The owner has a history or practice of non-compliance with inspection standards for units leased under any federal housing program;
- The owner has a history or practice of renting units that fail to meet state or local housing codes;
- The owner has a history or practice of failing to terminate tenancy of tenants of units assisted
- under Section 8 or any other federally assisted housing program for activity by the tenant, any member of the household, a guest or another person under the control of any member of the household that:
    - Threatens the right to peaceful enjoyment of the premises by other residents;
    - Threatens the health or safety of other residents, employees of SHA, or of owner employees or other persons engaged in management of the housing;
    - 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
    - Is drug-related criminal activity or violent criminal activity.
- The owner has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD or with financing from other local or state governmental agencies;
- The owner has engaged in actual physical abuse or has threatened abusive or violent behavior toward a resident, a member of the public, or SHA personnel. Note:
    - "*Abusive or violent behavior*" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for disapproval of an owner; and
    - "*Threatening*" refers to oral or written threats, or physical gestures, that communicate intent to abuse or commit violence.
- The owner has not paid state or local real estate taxes, fines or assessments.

In considering whether to disapprove owners for any of the discretionary reasons listed above, SHA 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. Upon consideration of such circumstances, SHA may, on a case-by-case basis, choose to approve an owner.

Legal Ownership of Unit
The following represents PHA policy on legal ownership of a dwelling unit to be assisted under the HCV program.

SHA Policy

SHA will only enter into a contractual relationship with the legal owner of a qualified unit. No tenancy will be approved without acceptable documentation of legal ownership (e.g., deed of trust, proof of taxes for most recent year).

13-I E. NON-DISCRIMINATION [HAP CONTRACT – FORM HUD-52641]

The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability, in connection with any actions or responsibilities under the HCV program and the HAP contract with the PHA.

The owner must cooperate with the PHA and with HUD in conducting any equal opportunity compliance reviews and complaint investigations in connection with the HCV program and the HAP contract with the PHA.

See Chapter 2 for a more thorough discussion of Fair Housing and Equal Opportunity requirements in the HCV program.

Part II: HAP Contracts

13-II A. OVERVIEW

The HAP contract represents a written agreement between the PHA and the owner of the dwelling unit occupied by a HCV assisted family. The contract spells out the owner's responsibilities under the program, as well as the PHA's obligations. Under the HAP contract, the PHA agrees to make housing assistance payments to the owner on behalf of the family approved by the PHA to occupy the unit.

The HAP contract is used for all HCV tenant-based program tenancies except for assistance under the Section 8 homeownership program, and assistance to families that own a manufactured home and use their assistance to lease the space for the manufactured home. See chapter 15 for a discussion of any special housing types included in the PHA's HCV program.

When the PHA has determined that the unit meets program requirements and the tenancy is approvable, the PHA and owner must 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: the names of the tenant and all household members, the address of the contract unit, start and end dates of initial lease term, the amount of initial monthly rent to owner, the amount of initial housing assistance payment, the utilities and appliances to be supplied by owner and tenant, and the signatures of the PHA representative and owner [HCV Guidebook, pp. 11-10 and 11-11].

In general, the HAP contract cannot be modified. However, PHAs do have the discretion to add language to Part A of the HAP contract which prohibits the owner from collecting a security deposit in excess

of private market practices or in excess of amounts charged to unassisted tenants. PHA policy on the amount of security deposit an owner may collect is found in Chapter 9.

PHAs also have the discretion to add language to Part A of the HAP contract that defines when the housing assistance payment by the PHA is deemed received by the owner (e.g., upon mailing by the PHA or actual receipt by the owner).

SHA Policy

SHA has not adopted a policy that defines when the housing assistance payment by SHA 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
- PHA and HUD Access to Premises and Owner's Records
- Exclusion of Third Party Rights
- Conflict of Interest
- Assignment of the HAP Contract
- Written Notices
- Entire Agreement Interpretation

Part C of the contract includes the Tenancy Addendum (Form HUD-52641-A). The addendum sets forth the tenancy requirements for the program and the composition of the household, as approved by the PHA. The tenant has the right to enforce the Tenancy Addendum against the owner. The terms of the Tenancy Addendum prevail over any other provisions of the lease.

13-II C. HAP CONTRACT PAYMENTS

General

During the term of the HAP contract, and subject to the provisions of the HAP contract, the PHA must make monthly HAP payments to the owner on behalf of the family, at the beginning of each month. If a lease term begins after the first of the month, the HAP payment for the first month is prorated for a partial month.

The amount of the HAP payment is determined according to the policies described in Chapter 6 and is subject to change during the term of the HAP contract. The PHA must notify the owner and the family in writing of any changes in the HAP payment.

HAP payments can be made only during the lease term, and only while the family is residing in the unit.

The monthly HAP payment by the PHA is credited toward the monthly rent to owner under the family's lease. The total of the rent paid by the tenant and the HAP payment is equal to the rent to owner as specified in the lease.

The family is not responsible for payment of the HAP payment, and the PHA 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 rent to owner and the HAP payment. The owner may not demand or accept any rent payment from the tenant in excess of this maximum [24 CFR 982.451(b)(4)]. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)]. See chapter 9 for a discussion of separate, non-lease agreements for services, appliances and other items that are not included in the lease.

If the owner receives any excess HAP from the PHA, the excess amount must be returned immediately. If the PHA determines that the owner is not entitled to all or a portion of the HAP, the PHA 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 HUD52641].

By accepting the monthly check from the PHA, 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 NSPIRE standards; that the contract unit is leased to the tenant family and, to the best of the owner's knowledge, the family resides in the unit as the family's only residence; the rent to owner does not exceed rents charged by the owner for comparable unassisted units on the premises; and that the owner does not receive (other than rent to owner) any additional payments or other consideration for rent of the contract unit during the HAP term.

Late HAP Payments [24 CFR 982.451(a)(5)]
The PHA 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 late penalties if the PHA fails to make the HAP payment on time.

In keeping with generally accepted practices in the local housing market, the PHA will pay to the owner a $75.00 late fee, or the late fee specified in the owner's lease charged to tenants whose rent is late, whichever is lower, for Housing Assistance Payments that are not received by the owner by the 10th day of the month, if requested by the owner in writing.

Penalties for late HAP payments can only be imposed if 1) the penalties are in accordance with generally accepted local rental market practices and law governing penalties for late payment by tenants; 2) it is the owner's normal business practice to charge late payment penalties for both assisted and unassisted families; and 3) the owner charges the assisted family for late payment of the family's share of the rent.

The PHA is not required to pay a late payment penalty if HUD determines that the payment is late for reasons beyond the PHA's control. In addition, late payment penalties are not required if the PHA 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 [24 CFR 982.311(b)]
The PHA must continue making housing assistance payments to the owner in accordance with the HAP contract as long as the tenant continues to occupy the unit and the HAP contract is not violated.

HAP payments terminate when the HAP contract terminates or when the tenancy is terminated in accordance with the terms of the lease.

If the owner has initiated eviction proceedings against the family and the family continues to reside in the unit, the PHA 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.

SHA Policy

The owner must inform SHA when the owner has initiated eviction proceedings against the family and the family continues to reside in the unit.

The owner must inform SHA when the owner has obtained a court judgment or other process allowing the owner to evict the tenant and provide SHA 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, SHA 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 SHA 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 NSPIRE standards
- 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 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.

The PHA 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 of the HAP contract. The PHA may also obtain additional relief by judicial order or action.

The PHA must notify the owner of its determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. The PHA must provide the owner with written notice of any reduction in housing assistance payments or the termination of the HAP contract.

SHA Policy

Before SHA invokes a remedy against an owner, SHA will evaluate all information and documents available to determine if the contract has been breached.

If relevant, SHA 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, SHA 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.

An owner must not threaten the health or safety of, or otherwise abuse SHA employees, residents, or members of the public.

13-II E. HAP CONTRACT TERM AND TERMINATIONS

The term of the HAP contract runs concurrently with the term of the dwelling lease [24 CFR 982.451(a)(2)], beginning on the first day of the initial term of the lease and terminating on the last day of the term of the lease, including any lease term extensions.

The HAP contract and the housing assistance payments made under the HAP contract terminate if [HCV Guidebook pp.11-4 and 11-5, pg. 15-3]:

- The owner or the family terminates the lease;
- The lease expires;
- The PHA terminates the HAP contract;
- The PHA 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 the PHA made the last housing assistance payment to the owner;

SHA Policy

180 calendar days have elapsed since the PHA made a housing assistance payment over $50 to the owner (13.H.02)

- The family is absent from the unit for longer than the maximum period permitted by the PHA;
- The Annual Contributions Contract (ACC) between the PHA and HUD expires
- The PHA elects to terminate the HAP contract.

SHA Policy

SHA may terminate the HAP contract with the owner 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 size requirements due to change in family composition [24 CFR 982.403] – see chapter 8;
- The unit does not meet NSPIRE standards [24 CFR 982.404] – see chapter 8;
- The family breaks up [HUD Form 52641] – see chapter 3;
- The owner breaches the HAP contract [24 CFR 982.453(b)] – see Section 13-II.D.

If the PHA terminates the HAP contract, the PHA 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].

SHA Policy

The term of the HAP Contract is the same as the term of the lease. The contract between the owner and SHA may be terminated by SHA, or by the owner or tenant terminating the lease.

No subsidy payments on behalf of the family will be made by SHA to the owner for any period of time after the month in which the contract is terminated. The owner must reimburse SHA for any subsidies paid by SHA for any period after the contract termination date.

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 the PHA.

An owner under a HAP contract must notify the PHA in writing prior to a change in the legal ownership of the unit. The owner must supply all information as requested by the PHA.

Prior to approval of assignment to a new owner, the new owner must agree to be bound by and comply with the HAP contract. The agreement between the new owner and the former owner must be in writing and in a form that the PHA finds acceptable. The new owner must provide the PHA with a copy of the executed agreement.

SHA Policy

Assignment of the HAP contract 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.

SHA 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, SHA will inform the current owner in writing whether the assignment may take place.

The new owner must provide a written certification to SHA that includes:

- A copy of the escrow statement or other document showing the transfer of title and recorded deed (if needed);
- A copy of the owner's IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the social security number of the new owner;
- The effective date of the HAP contract assignment;
- A written agreement to comply with the terms of the HAP contract; and
- A certification that the new owner is not a prohibited relative.

If the new owner does not agree to an assignment of the HAP contract, or fails to provide the necessary documents, SHA 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, SHA will process the leasing in accordance with the policies in Chapter 9.

13-II G.FORECLOSURE [NOTICE PIH 2010-49]

Families receiving HCV assistance are entitled to certain protections set forth under the Protecting Tenants at Foreclosure Act (PTFA). During the term of the lease, the new owner of the property does not have good cause to terminate the tenant's lease, unless the new owner will occupy the unit as their primary residence and has provided the tenant with at least a 90-day notice. In that case, the lease may

be terminated effective on the date of sale, although the tenant is still entitled to a 90-day notice to vacate. Further, the new owner assumes interest in the lease between the prior owner and the tenant and to the HAP contract.

Any state or local law that provides longer time periods or other additional protections for tenants also applies.

SHA Policy

If a property is in foreclosure, SHA will make all reasonable efforts to determine the status of the foreclosure and ownership of the property and will continue to make payments to the original owner until ownership legally transfers in accordance with the HAP contract.

SHA will attempt to obtain a written acknowledgement of the assignment of the HAP contract from the successor in interest. This will include a request for owner information, including 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.

SHA will inform the tenant that they must continue to pay rent in accordance with the lease, and if the new owner 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.

In the event that SHA is unable to make HAP payments to the new owner due to an action or inaction by the new owner that prevents such payments (e.g., rejection of payments or failure to maintain the property according to NSPIRE standards), or due to an inability to identify the new owner, SHA will either use the funds to pay:

The utilities that are the owner's responsibility after taking reasonable steps to notify the owner; except that if the unit has been or will be rendered uninhabitable due to termination or threat of termination of service, prior notice is not required. In the latter case, the PHA shall notify the owner within a reasonable time after making the utility payment; or

For the family's reasonable moving costs, including security deposit costs.

The PHA will 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.

See Section 12-III.B for a discussion of foreclosure as it pertains to owner termination of tenancy.

Chapter 14: Program Integrity

The PHA is committed to ensuring that subsidy funds made available to The PHA are spent in accordance with HUD requirements.

This chapter covers HUD and PHA 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

HUD created the Enterprise Income Verification (EIV) system to provide PHAs with a powerful tool for preventing errors and detecting program abuse. PHAs are required to use the EIV system in its entirety in accordance with HUD administrative guidance [24 CFR 5.233]. PHAs are further required to:

- Provide applicants and participants with form HUD-52675, "Debts Owed to PHAs and Terminations"
- Require all adult members of an applicant or participant family to acknowledge receipt of form HUD-52675 by signing a copy of the form for retention in the family file

SHA Policy

To ensure that SHA's HCV program is administered according to the highest ethical and legal standards, SHA will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

SHA will discuss program compliance and integrity issues during the voucher briefing sessions described in Chapter 5.

SHA will place a warning statement about the penalties for fraud (as described in 18 U.S.C. 1001 and 1010) on key SHA forms and form letters that request information from a family or owner.

SHA staff will be required to review and explain the contents of all HUD- and SHA-required forms prior to requesting family member signatures.

SHA will make resources available to first-time owners (or their agents) about HAP contract requirements.

SHA will provide each SHA employee with the necessary training on program rules and the organization's standards of conduct and ethics.

For purposes of this chapter the term *error* refers to an unintentional error or omission. *Program abuse or fraud* refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

14-I B. DETECTING ERRORS AND PROGRAM ABUSE

In addition to taking steps to prevent errors and program abuse, the PHA 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 PHAs 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 compliance with NSPIRE standards[24 CFR, Part 985]. (See Chapter 16 for additional information about SEMAP requirements).

SHA Policy

SHA's MTW agreement provides an exemption from SEMAP (MTW Agreement Appendix VII. B.1).

SHA will employ a variety of methods to detect errors and program abuse.

SHA routinely will review available sources of up-front income verifications. This includes The Work Number and any other private or public databases available to SHA.

SHA will compare family-reported income and expenditures to detect possible unreported income.

Independent Audits and HUD Monitoring
OMB Circular A-133 requires all PHAs that expend $500,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of PHA activities and notifies the PHA of errors and potential cases of program abuse.

SHA Policy

SHA will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of SHA's error detection and abuse prevention efforts.

Individual Reporting of Possible Errors and Program Abuse

SHA Policy

SHA staff will encourage participants, owners and community members to report suspected fraud and program abuse. All such referrals, as well as referrals from other agencies, will be thoroughly documented and placed in the participant's file. All allegations, complaints and tips will be carefully evaluated to determine if they warrant further investigation.

SHA will investigate allegations that contain one or more independently verifiable facts but will not investigate allegations that are vague or non-specific.

14-I C. INVESTIGATING ERRORS AND PROGRAM ABUSE

When SHA Will Investigate

SHA Policy

SHA 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 SHA 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.

SHA will investigate when inconsistent or contradictory information is detected through file reviews and the verification process or as a result of findings during an inspection.

Consent to Release of Information [24 CFR 982.516]
The PHA may investigate possible instances of error or abuse using all available the PHA and public records. If necessary, the PHA will require HCV families to sign consent forms for the release of additional information.

Analysis and Findings

SHA Policy

File Review

An internal file review will be conducted to determine if the subject of the allegation is an SHA applicant or participant and, if so, to determine whether the information reported has been previously disclosed.

If SHA concludes, after reviewing the file, that there are facts contained in the allegation that conflict with file data, and the facts are independently verifiable, SHA will initiate an investigation to determine if the allegation is true or false. The investigation shall be concluded within 30 days of the conclusion of the internal file review. If additional verifications are necessary to substantiate or invalidate an allegation, a referral may be made to SHA's Fraud Investigator.

Credit Bureau Inquiries (CBI)

In cases involving possible unreported income sources, a CBI inquiry may be made to determine if there is financial activity that conflicts with the reported income of the family.

Verification of Credit

In cases where the financial activity conflicts with file data, SHA will obtain a credit check or Employment Security report in order to determine the unreported income source.

Employers and Ex-Employers

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

Neighbors/Witnesses

Neighbors and/or other witnesses may be interviewed who are believed to have direct or indirect knowledge of facts pertaining to SHA's review; while maintaining confidentiality of our participants.

Other Agencies

Investigators, case workers or representatives of other benefit agencies may be contacted.

Public Records

If relevant, the review of any public court records. Examples of public records which may be reviewed include real estate, marriage, divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, state wage records, utility records, and postal records.

Interviews with Heads of Household or Family Members

The investigator may discuss the allegation (or details thereof) with the head of household or family member.

Internal Revenue Service (IRS) Inquiries

Authorization forms will be signed to allow SHA to verify all income reported to the IRS, including verification of non-filing.

Placement of Documents, Evidence and Statements Obtained by SHA

Documents and other evidence obtained by SHA during the course of an investigation shall be kept in a participant's file following completion of an investigation.

Evaluation of the Findings

If it is determined that a program violation has occurred, SHA will determine:

- The type of violation (procedural, non-compliance, fraud);
- Whether the violation was intentional or unintentional;

- What amount of money (if any) is owed by the family; and
- If the family is eligible for continued assistance.

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

SHA Policy

In the case of family-caused errors or program abuse, SHA 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, SHA 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

SHA Policy

SHA 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 SHA determined the error or program abuses, (3) the remedies to be employed, and (4) the family's 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, the PHA must promptly correct the HAP, family share, and any utility reimbursement prospectively.

SHA Policy

Increases in the family share will be implemented on the first of the month following a written 30-day notice.

Any decreases in family share will become effective the first of the month following the discovery of the error.

If SHA discovers an administrative error that has an effect upon a participant family's rental subsidy, it will take necessary steps to correct the error and make adjustments to the tenant's subsidy calculation.

If correction of the error would have an adverse effect on the tenant family (e.g., a reduction in HAP to the owner) then SHA will provide the family with a 30-day notice. If correction of the error would be favorable to the tenant (e.g., a retroactive increase in HAP to the owner) then SHA will calculate the adjustment amount from the point at which the error was made to the month during which the error was corrected. The adjustment amount will be credited to the owner's account or be paid to the tenant in one of the following ways:

- If the tenant is still in the unit and the period of incorrect HAP is within the current calendar year, then a check will be issued to the owner with a copy of the notification being sent to the tenant. The owner will be responsible for adjusting the rent accordingly or for issuing a refund to tenant.
- If the tenant is still in the unit and the period of incorrect HAP spans a previous calendar year, then a check will be issued to the tenant at the tenant's current address.
- If the tenant is still in the program but not in the same unit then a check will be sent to tenant at tenant's current address.
- If the tenant is no longer in the program, then notification will be sent to the tenant at the tenant's last known address advising them to contact us to resolve an error in their previous program participation. Details of the reconciliation will be reserved until the tenant confirms their identity.

Reimbursement
Whether the family or owner is required to reimburse the or the PHA 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]

SHA Policy

In the case of family-caused errors or program abuse, the family will be required to repay any excess subsidy received. SHA 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, SHA will terminate the family's assistance in accordance with the policies in Chapter 12.

PHA Reimbursement to Family [HCV GB p. 22-12]

SHA Policy

SHA 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)].

SHA Policy

Any of the following will be considered evidence of family program abuse:

- Payment to the owner in excess of amounts authorized SHA for rent, security deposit, and additional services
- Offering bribes or illegal gratuities to the SHA Board of Commissioners, employees, contractors, or other SHA 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 SHA 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

SHA may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

Penalties for Program Abuse

In the case of program abuse caused by a family the PHA may, at its discretion, impose any of the following remedies.

- The PHA may require the family to repay excess subsidy amounts paid by the PHA, as described earlier in this section.
- The PHA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 12 (for participants).
- The PHA may deny or terminate the family's assistance following the policies set forth in Chapter 3 and Chapter 12 respectively.
- The PHA may refer the family for state or federal criminal prosecution as described in section 14-II.E.

SHA Policy

SHA will issue a termination notice if the amount is over $10,000, if there is a history of such violations, or, when the amount is less than $10,000 if the participant refuses enter into a payment agreement and/or make payments on a signed payment agreement.

When a participant intentionally falsifies, misstates, omits or otherwise misrepresents a material fact which results (or would have resulted) in an overpayment of housing assistance, SHA may, depending upon its evaluation of the criteria stated below, take one or more of the following actions:

- Criminal prosecution: SHA will refer the case to SHA's Office of General Counsel. At their discretion, the Office of General Counsel may refer the case to the U.S. Attorney, City Attorney, County Prosecutor, Seattle Police Department or other law enforcement agencies, other investigative agencies (such as the State Department of Social and Health Services), the Immigration and Naturalization Service, or the IRS, as applicable. SHA may also notify HUD's Office of the Inspector General;
- Civil litigation: SHA may bring an action for recovery of funds and for costs and attorneys' fees; or
- Administrative remedies: SHA will terminate assistance and may execute an administrative repayment agreement in accordance with SHA's repayment policy.

The Case Conference for Serious Violations and Misrepresentations

SHA Policy

When SHA has established that material misrepresentation(s) have occurred, a case conference may be scheduled at SHA's discretion to discuss the allegations with the family representative. The conference may, in SHA's discretion, take place prior to any proposed action. The purpose of the conference is to review the information and evidence available with the participant, and to

provide the participant an opportunity to explain any findings which conflict with representations in the participant's file. Any documents or mitigating circumstances presented by the participant will be taken into consideration by SHA. The participant will be given 10 business days to furnish any mitigating evidence.

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

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

Post-Case Conference Notification to Participant of Proposed Action
Unless the participant provides evidence of mitigating circumstances, SHA will notify the family by certified mail of the proposed termination action no later than 30 days after the case conference.

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., NSPIRE compliance, fair housing) are addressed in the appropriate chapters of this plan. This section focuses on errors and program abuse by owners.

An incorrect subsidy determination caused by an owner generally would be the result of an incorrect owner statement about the characteristics of the assisted unit (e.g., the number of bedrooms, which utilities are paid by the family). It also includes accepting duplicate housing assistance payments for the same unit in the same month, or after a family no longer resides in the unit.

Owner Reimbursement to the PHA
In all cases of overpayment of subsidy caused by the owner, the owner must repay to the PHA any excess subsidy received. The PHA may recover overpaid amounts by withholding housing assistance payments due for subsequent months, or if the debt is large, SHA may allow the owner to pay in installments over a period of time [HCV GB p. 22-13].

SHA Policy

In cases where the owner has received excess subsidy, SHA 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:

- Make any 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 982.453(a)(3)] including:

SHA Policy

Any of the following will be considered evidence of owner program abuse:

- Charging the family rent above or below the amount specified by SHA
- 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 SHA Board of Commissioners, employees, contractors, or other PHA representatives
- Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to SHA
- Residing in the unit with an assisted family

Remedies and Penalties
When the PHA determines that the owner has committed program abuse, the PHA 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 14II.E.

14-II D. PHA-CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of PHA staff with respect to normal program administration are discussed throughout this plan. This section specifically addresses actions of a PHA staff member that are considered errors or program abuse related to the HCV program. Additional standards of conduct may be provided in the PHA personnel policy.

PHA-caused incorrect subsidy determinations include (1) failing to correctly apply HCV rules regarding family composition, income, assets, and expenses, (2) assigning the incorrect voucher size to a family, and (3) errors in calculation.

Repayment to the PHA
Neither a family nor an owner is required to repay an overpayment of subsidy if the error or program abuse is caused by PHA staff [HCV GB. 22-12].

PHA Reimbursement to Family or Owner
The PHA must reimburse a family for any underpayment of subsidy, regardless of whether the underpayment was the result of staff-caused error or staff or owner program abuse. Funds for this reimbursement must come from the PHA's administrative fee reserves [HCV GB p. 22-12].

Prohibited Activities

SHA Policy

Any of the following will be considered evidence of program abuse by SHA 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. All Seattle Housing employees are bound by the conflict of interest policy outlined in the Seattle Housing Authority Employee Handbook and the Seattle Housing Authority Manual of Operations, Section E13.2-1
- Seeking or accepting anything of material value from applicants, participating families, vendors, owners, contractors, or other persons who provide services or materials to SHA
- Disclosing confidential or proprietary information to outside parties
- Gaining profit as a result of insider knowledge of PHA 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

SHA Policy

When SHA determines that program abuse by an owner, family, or SHA staff member has occurred and the amount of overpaid subsidy meets or exceeds the threshold for prosecution under local or state law, SHA will refer the matter to the appropriate entity for prosecution. When the amount of overpaid assistance meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the HCV program will be referred to the appropriate local, state, or federal entity.

14-II F. FRAUD AND PROGRAM ABUSE RECOVERIES

The PHA may retain a portion of program fraud losses that the PHA recovers from a family or owner through litigation, court order, or a repayment agreement [24 CFR 982.163].

The PHA 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 PHA to retain the greater of:

- 50 percent of the amount it actually collects from a judgment, litigation (including settlement of a lawsuit) or an administrative repayment agreement, or
- Reasonable and necessary costs that the PHA incurs related to the collection including costs of investigation, legal fees, and agency collection fees.

The family must be afforded the opportunity for an informal hearing in accordance with requirements in 24 CFR 982.555.

If HUD incurs costs on behalf of the PHA related to the collection, these costs must be deducted from the amount retained by the PHA.

Chapter 15: Special Housing Types

The PHA may permit a family to use any of the special housing types discussed in this chapter. However, the PHA is not required to permit families receiving assistance in its jurisdiction to use these housing types, except that PHAs must permit use of any special housing type if needed as a reasonable accommodation for a person with a disability. The PHA 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. Unless specifically modified by the regulations, NSPIRE standards apply to special housing types (Single Room Occupancy, Congregate Housing, Group Homes, Shared Housing, Manufactured Homes, Homeownership units) [Notice PIH 2023-28].

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]. A single unit cannot be designated as more than one type of special housing. The PHA cannot give preference to households that wish to live in any of these types of housing and cannot require households to select any of these types of housing [New HCV GB, Special Housing Types, p. 3].

SHA Policy

SHA will subsidize only the following special housing types, except as a reasonable accommodation:

1. Single room occupancy housing;
2. Congregate housing;
3. Shared housing; and
4. Cooperative Housing.

This chapter consists of the following four 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: Shared Housing

Part IV: Cooperative housing

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. The standard form of the HAP contract is used (form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Single room occupancy (SRO) housing.”

15-I B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

The payment standard for SRO housing is 75 percent of the zero-bedroom (studio) payment standard amount on the PHA's payment standard schedule.

The utility allowance for an assisted person residing in SRO housing is the same as 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. NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE (NSPIRE)

NSPIRE requirements described in Chapter 8 apply to SRO housing except that sanitary facilities, and space and security characteristics must meet local code standards for SRO housing. In the absence of applicable local code standards for SRO housing, the following standards apply:

- *Access*: Access doors to the SRO unit must have working locks for privacy. The occupant must be 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, large 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 males, 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, to all persons sharing them 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.

For SRO housing, 24 CFR 5.703(d) only applies to the extent that the SRO unit contains the room or facility referenced in 24 CFR 5.703(d). 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 Form HUD-52641; New HCV GB ,*Special Housing Types,* p. 6

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 the PHA, a family member or live-in aide may reside with the elderly person or person with disabilities. The PHA 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, T~~, and t~~he standard form of the HAP contract is used~~.~~ (form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: "This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Congregate housing."

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 for the assisted family. If there is only one room in the unit (not including the bathroom or the kitchen, if a kitchen is provided), The PHA must use the payment standard for a zero-bedroom unit. If the unit has two or more rooms (other than the bathroom and the kitchen), the PHA must use the one-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. NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE (NSPIRE)

NSPIRE requirements as described in Chapter 8 apply to congregate housing except for the requirements stated below. Congregate housing is not subject to the requirement that the dwelling unit must have a kitchen area. In place of the NSPIRE standards related to food preparation and refuse disposal.

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 congregate housing must contain adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary.

The housing quality standards applicable to lead-based paint do not apply unless a child under the age of six is expected to reside in the unit.

Part III: SHARED HOUSING [24 CFR 982.615 through 982.618; Form HUD-52641; Notice PIH 2021-05; New HCV GB, Special Housing Types, p. 11]]

15-III A. OVERVIEW

Families in markets with tight rental conditions or with a prevalence of single-family housing may determine a shared housing living arrangement to be a useful way to secure affordable housing. PHAs offering shared housing as a housing solution may also experience some reduction in the average per-unit-cost (PUC) paid on behalf of assisted families.

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The unit may be a house or an apartment. 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.

Shared housing may be offered in a number of ways, including for-profit co-living (such as a boarding house, single bedroom with common living room/kitchen/dining room) run by a private company [Notice PIH 2021-05].

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 the PHA, a live-in aide may reside with the family to care for a person with disabilities. The PHA 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 shared housing is offered as a housing option, HUD encourages PHAs to consider ways in which the families may be assisted in finding shared housing, including for-profit shared housing matching (such as roommates or single -family homes) and online sites that charge a fee for their matching services, or nonprofit shared housing matching services. HUD further encourages PHAs to include information about this housing possibility in the family's voucher briefing.

PHAs should be aware of potential local legal barriers to HCV participants using shared housing, which can create additional obstacles for shared housing:

- Municipalities may have occupancy limits for the number of unrelated persons who may share a housing unit.
- Local zoning codes for single family housing may restrict occupancy in certain areas to households whose family members are related by blood.

PHAs should work with local jurisdictions to find solutions that encourage affordable housing and are consistent with the Fair Housing Act, Title VI, and other federal, state, and local fair housing laws. PHAs should inform HUD if they encounter barriers to shared housing that may conflict with fair housing laws.

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. The standard form of the HAP contract is used. (form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: "This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Shared housing."

15-III B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard for a family in shared housing is the lower of 80% of the payment standard for the family unit size (voucher size) or the pro-rata share of the payment standard for the shared housing unit size.

The pro-rata share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private space, non-shared by the total number of bedrooms in the unit.

Example: Family holds a two-bedroom voucher.

Shared housing unit size: bedrooms available to assisted family = 2

Total bedrooms in the unit: 3

2 Bedrooms for assisted family

÷ 3 Bedrooms in the unit

.667 pro-rata share

2 BR payment standard: $1200

3 BR payment standard: $1695 $1695 x .667 (pro-rata share) = $1131 $1131 is lower than the $1200 payment standard for the 2 BR family unit size $1131 is the payment standard used to calculate the HAP

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.

For a family that resides in a shared housing unit, the payment standard is 80% of the payment standard for a unit of the same bedroom size.

The utility allowance for an assisted family living in shared housing is the lower of the utility allowance for the family unit size (voucher size) or the pro-rata share of the utility allowance for the shared housing unit.

Example: A family holds a 2-bedroom voucher. The family decides to occupy 3 out of 4 bedrooms available in the unit.

The utility allowance for a 4-bedroom unit equals $200

The utility allowance for a 2-bedroom unit equals $100

The prorata share of the utility allowance is $150 (3/4 of $200)

The PHA will use the 2-bedroom utility allowance of $100.

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, the PHA may consider whether sanitary and food preparation areas are private or shared.

15-III C. NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE (NSPIRE)

The entire unit must comply with NSPIRE requirements described in Chapter 8, except for the standards that relate to sanitary facilities, food preparation and refuse disposal, space and security, structure and materials, and site and neighborhood and 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. Doors and windows accessible from outside the unit must be lockable.

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.

Part IV: Cooperative Housing [24 CFR 982.619; New HCV GB, Special Housing Types, p. 14]

15-IV 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.” The monthly carrying charge includes the member’s share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. It 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.

The occupancy agreement or lease and other appropriate documents must provide that the monthly carrying charge is subject to Section 8 limitations on rent to owner, and the rent must be reasonable as compared to comparable unassisted units.

When providing HCV assistance in cooperative housing, the standard form of the HAP contract is used with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Cooperative housing.”.

15-IV B. PAYMENT STANDARD AND UTILITY ALLOWANCE

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 gross rent (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-IV C. NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE (NSPIRE)

All standard HQS requirements apply to cooperative housing units. There are no additional housing quality requirements. The PHA remedies described in 24 CFR 982.404 do not apply. Rather, if the unit and premises are not maintained in accordance with NSPIRE standards, the PHA may exercise all available remedies regardless of whether the family or cooperative is responsible for the breach of NSPIRE standards.

No housing assistance payment can be made unless unit meets NSPIRE standards and the defect is corrected within the period as specified by the PHA and the PHA verifies correction (see Chapter 8).

In addition to regular breaches of housing quality, breaches of NSPIRE standards by the family include failure to perform any maintenance for which the family is responsible in accordance with the terms of the cooperative occupancy agreement [HCV GB].

Chapter 16: Program Administration

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 the PHA'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 the PHA. 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 SHA 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 a PHA.

Part VI: Record-Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies the PHA will follow.

Part VII: Reporting and Record Keeping for Children with Elevated Blood Lead Level. This part describes the PHA's responsibilities for reporting, data collection, and record keeping relative to children with elevated 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]

The PHA will maintain administrative fee reserves, or unrestricted net position (UNP) for the program to pay program administrative expenses in excess of administrative fees paid by HUD for a PHA fiscal year. HUD appropriations acts beginning with FFY 2004 have specified that administrative fee funding may be used only for activities related to the provision of HCV assistance, including related development activities. Notice PIH 2012-9 cites two examples of related development activities: unit modification for accessibility purposes and development of project-based voucher units. The notice makes clear that other activities may also qualify as related development activities. Administrative fees that remain in the UNP account from funding provided prior to 2004 may be used for "other housing purposes permitted by state and local law," in accordance with 24 CFR 982.155(b)(1).

In addition, as specified in Notice PIH 2022-18, PHAs may use administrative fee funding for both administrative and "other expenses" needed to employ strategies and undertake activities beyond regular

administrative responsibilities to facilitate the successful leasing and use of housing choice vouchers by families, such as through the use of security deposit assistance and landlord recruitment and incentive payments, among other allowable expenses specified in the notice. PHAs are also permitted to use UNP for these expenses [Notice PIH 2022-18].

If a PHA has not adequately administered its HCV program, HUD may prohibit use of funds in the UNP Account and may direct the PHA to use funds in that account to improve administration of the program, for HCV HAP expenses, or to reimburse ineligible expenses in accordance with the regulation at 24 CFR 982.155(b)(3).

HUD requires the PHA Board of Commissioners or other authorized officials to establish the maximum amount that may be charged against the UNP account without specific approval.

SHA Policy

Expenditures from the Administrative Reserve (Operating Reserve) for non-Move to Work vouchers, for housing purposes other than the costs of implementing the HCV Program, shall not exceed $100,000 per occurrence nor more than 50 percent of the reserve balance, for each fiscal year without the prior approval of the SHA Board of Commissioners or its Executive Director.

SHA's HCV Administrative Reserve is intended to fund program administrative expenses in excess of fees earned during the current fiscal year. Other uses may be approved subject to limitations established by HUD regulations. The Administrative Reserve is separate from SHA's HCV Project Reserve which can be used to fund HAP payments in excess of subsidies received in the current fiscal year, or for other purposes allowed under SHA's MTW agreement with HUD.

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 the PHA to adapt the program to local conditions. This part discusses how the PHA establishes and updates certain schedules and standards that are used to administer the program locally. Details about how these schedules are applied to individual families are provided in other chapters. The schedules and standards discussed here include:

- *Payment Standards*, which dictate the maximum subsidy a family can receive (application of the payment standards is discussed in Chapter 6); and
- *Utility Estimate*, which specify how a family's payment should be adjusted to account for tenant-paid utilities (application of utility allowances is discussed in Chapter 6).

SHA Policy

Copies of the payment standard and utility allowance schedules are available for review on SHA's website (https://www.seattlehousing.org/).

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.

SHA 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.

Establishing and updating the PHA passbook rate, which is used to calculate imputed income from assets, is covered in Chapter 6 (see Section 6-I.G.).

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 the PHA 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.

The PHA must establish a payment standard schedule that establishes payment standard amounts for each FMR area within the PHA's jurisdiction, and for each unit size within each of the FMR areas. For each unit size, the PHA 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, the PHA 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.

SHA Policy

Local Payment Standards (MTW 10.H.04)

SHA may create differentiated payment standards for vouchers used in market-rate units and those affordable housing properties.

SHA may use local and state definitions of bedroom size in determining the appropriate payment standard to apply.

Family Access Supplement (MTW 19.H.02)

Due to high rents, tenant-based vouchers in the City of Seattle are not as viable in certain neighborhoods. The Family Access Supplement (FAS) is designed to provide additional rental assistance, to remove rent barriers for families with children to renting in the designated neighborhoods of the demonstration. Families moving to opportunity neighborhoods may be eligible for a supplement to the payment standard up to 150 percent FMR.

Updating Payment Standards

When HUD updates its FMRs, the PHA must update its payment standards if the standards are no longer within the basic range [24 CFR 982.503(b)]. HUD may require the PHA to make further adjustments if it determines that rent burdens for assisted families in the PHA's jurisdiction are unacceptably high [24 CFR 982.503(g)].

SHA Policy

SHA will use various local market factors, such as vacancy rates and the length of time it takes a household to find housing, when analyzing affordability adjustments. An analysis of the following factors will be considered:

- Rent burden paid by current Voucher holders;
- Rent burden relative to the availability of units by bedroom size;
- Average gross rents paid by current Voucher holders;
- The current HUD approved Fair Market Rents;
- Rent reasonableness data,
- Local vacancy rate data;
- Lease-up and shopping success rates of current voucher holders;
- Location of current Voucher rentals.

Program Not to Contract by More than 5 percent Without Board Authorization

Following analysis of the above factors, SHA shall increase the payment standard, if it can do so within the allocated budget authority for the program without reducing the number of households served by the overall program by more than 5 percent.

SHA staff shall not increase the payment standard such that it causes the program to contract by more than 5 percent without specific authorization by the SHA Board of Commissioners.

Lowering of the Payment Standard
Analysis of the above factors may result in lowering the payment standard.

Exception Payment Standards [24 CFR 982.503(c), Notice PIH 2018-01, FR Notice 9/27/21]

The PHA must request HUD approval to establish payment standards that are higher than the basic range. At HUD's sole discretion, HUD may approve a payment standard amount that is higher than the basic range for a designated part of the FMR area. HUD may approve an exception payment standard amount (in accordance with program requirements) for all units, or for all units of a given size, leased by program families in the exception area. Any PHA with jurisdiction in the exception area may use the HUD-approved exception payment standard amount. The total population of all HUD-approved exception areas in an FMR area may not include more than 50 percent of the population of the FMR area.

SHA Policy

Local Payment Standards (MTW10.H.04)
SHA may create payment standards up to 120% of FMR without prior approval from HUD when certain conditions are met.

Unit-by-Unit Exceptions [24 CFR 982.503(b), 24 CFR 982.505(d), Notice PIH 2010-26]
Unit-by-unit exceptions to the PHA's payment standards generally are not permitted. However, an exception may be made as a reasonable accommodation for a family that includes a person with disabilities. (See Chapter 2 for a discussion of reasonable accommodations.) This type of exception does not affect the PHA's payment standard schedule.

When needed as a reasonable accommodation, the PHA may make an exception to the payment standard without HUD approval if the exception amount does not exceed 120 percent of the applicable FMR for the unit size [24 CFR 982.503(b)]. The PHA may request HUD approval for an exception to the payment standard for a particular family if the required amount exceeds 120 percent of the FMR.

SHA Policy

SHA may provide an accommodation payment standard for persons with disabilities under the following circumstances:

- The family requests the accommodation in writing; and
- The family provides verification of the disability meeting the standards described in Chapter 2, and the verification shows that the need for the higher payment standard is related to the disability.

The accommodation payment standard shall be established within the basic range, unless an increase beyond the basic range is approved by the SHA Board of Commissioners.

"Success Rate" Payment Standard Amounts [24 CFR 982.503(e)]
If a substantial percentage of families have difficulty finding a suitable unit, the PHA may request a "success rate payment standard" that applies to the entire jurisdiction. If approved by HUD, a success rate payment standard allows the PHA 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, the PHA must demonstrate that during the most recent 6-month period for which information is available:

- Fewer than 75 percent of families who were issued vouchers became participants;

- The PHA had established payment standards for all unit sizes, and for the entire jurisdiction, at 110 percent of the published FMR; and
- The PHA had a policy of allowing voucher holders who made sustained efforts to locate units at least 90 days to search for a unit.

Although HUD approves the success rate payment standard for all unit sizes in the FMR area, the PHA may choose to adjust the payment standard for only some unit sizes in all, or a designated part, of the PHA's jurisdiction within the FMR area.

Decreases in the Payment Standard below the Basic Range [24 CFR 982.503(d)]
The PHA 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 PHA-established utility allowance schedule is used in determining family share and PHA subsidy. The PHA 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, the PHA 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, the PHA 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 18 of the *HCV Guidebook* provides detailed guidance to the PHA about establishing utility allowance schedules.

SHA Policy

Utility Estimates MTW 10.H.14
SHA's utility estimate schedule, and the utility estimate for an individual family, includes the utilities and services not paid for by the housing provider that are necessary in the locality to provide housing that complies with the Housing Quality Standards, but not for non-essential utility costs, such as costs of telephone, cable television or air conditioning. Utilities are classified in the utility estimate schedule according to the following categories:

- owner pays all utilities
- tenant pays all utilities
- tenant pays energy utilities only
- tenant pays electricity, not including heat

The same utility estimate schedule is used for all tenant-based programs, except for participants who choose to use their tenant-based Voucher in an SHA HOPE VI unit. HOPE VI units have a separate schedule which SHA calculated based on actual consumption data. HOPE VI properties include New Holly, Rainier Vista, and High Point. See the Appendix for the current utility estimate

schedule. The utility estimate accounts for the cost of utilities not included in the rent. The estimate is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of the same size and utility type in the same locality. Estimates are not based on an individual family's actual energy consumption.

SHA may use local and state definitions of bedroom size in determining the appropriate utility allowance to apply.

Hardship Waiver for Utility Estimates
Any household with a utility estimate may petition in writing for a hardship waiver, except households that are leasing a larger unit than their assigned Voucher size. The household must provide 12 months of utility bills that, combined, exceed the designated utility estimate by 50% or more. Hardship waivers will be reviewed by the HCV Occupancy Manager and, if approved, Seattle Housing will use the average of their actual utility costs as the utility estimate for the following 6 months. During this time, it is expected that the household will either have reduced their utility consumption or have elected to move to a more energy efficient unit

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.

SHA Policy

SHA does not have an allowance for air-conditioning in its schedule.

Reasonable Accommodation
HCV program regulations require a PHA to approve a utility allowance amount higher than shown on the PHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the PHA will approve an allowance for air-conditioning, even if the PHA 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

The PHA 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.

The PHA must maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule.

SHA Policy

If the review determines that any change to standard utility rates is less than 10 percent since the last revision, the utility estimate schedule will not change however a new effective date will be published so that the schedule remains current within 12 months.

SHA will review the consumption data used in the calculation of the utility estimates at least every 5 years.

Part III: Informal Reviews and Hearings

16-III A. OVERVIEW

Both applicants and participants have the right to disagree with, and appeal, certain decisions of the PHA that may adversely affect them. PHA decisions that may be appealed by applicants and participants are discussed in this section.

The process for applicant appeals of PHA decisions is called the "informal review." For participants (or applicants denied admission because of citizenship issues), the appeal process is called an "informal hearing." PHAs are required to include informal review procedures for applicants and informal hearing procedures for participants in their administrative plans [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* 60, no. 127 (3 July 1995): 34690].

Decisions Subject to Informal Review

The PHA 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 the PHA 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)]:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- A determination of the family unit size under the PHA subsidy standards
- A PHA determination not to approve an extension or suspension of a voucher term
- A PHA determination not to grant approval of the tenancy
- A PHA determination that the unit is not in compliance with the NSPIRE standards
- A PHA determination that the unit is not in accordance with the space standards due to family size or composition

SHA Policy

SHA will only offer an informal review to applicants for whom assistance is being denied. Denial of assistance includes: denying listing on the SHA 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.

Exception: An applicant whose application is denied for reasons of citizenship or eligible immigrant status shall be provided an "informal hearing" (see procedures below).

Notice to the Applicant [24 CFR 982.554(a)]

The PHA must give an applicant prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for the PHA 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.

SHA Policy

If SHA obtains criminal record information from a State or local agency showing that a household member has been convicted of a crime relevant to applicant screening, SHA will notify the household of the proposed action and will provide the subject of the record and the applicant a copy of such information, The applicant will be given an opportunity to dispute the accuracy and relevance of the information. This opportunity will be provided before a denial of admission on the basis of such information (24 CFR 5.903(f)).

Scheduling an Informal Review

SHA Policy

A request for an informal review must be made in writing and delivered to SHA 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 SHA's denial of assistance.

SHA must schedule and send written notice of the informal review within 10 business days of the family's request.

If the informal review will be conducted remotely, at the time the PHA notifies the family of the informal review, the family will be informed:

- Regarding the processes to conduct a remote informal review;
- That, if needed, the PHA will provide technical assistance prior to and during the informal review; and
- That if the family or any individual witness has any technological, resource, or accessibility barriers preventing them from fully accessing the remote informal review, the family may inform the PHA and the PHA will assist the family in either resolving the issues or allow the family to participate in an in-person informal review, as appropriate

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 SHA.

Remote Informal Reviews [Notice PIH 2020-32]

There is no requirement that informal reviews be conducted in-person and, as such, HUD allows PHAs to conduct all or a portion of their informal review remotely either over the phone, via video conferencing, or through other virtual platforms. If the PHA chooses to conduct remote informal reviews, applicants may still request an in-person informal review, as applicable.

SHA Policy

SHA 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, SHA 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 child care 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.

Ensuring Accessibility for Persons with Disabilities and LEP Individuals

As with in-person informal reviews, the platform for conducting remote informal reviews must be accessible to persons with disabilities and the informal review must be conducted in accordance with Section 504 and accessibility requirements. This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts. Auxiliary aids or services must be provided in accessible formats, in a timely manner, and in

such a way to protect the privacy and independence of the individual. PHAs may never request or require that individuals with disabilities provide their own auxiliary aids or services, including for remote informal hearings.

PHAs are required to make reasonable accommodations in policies, practices, and procedures to ensure persons with disabilities have a full and equal opportunity to participate in and benefit from all aspects of the informal review process. See Chapter 2 for a more detailed discussion of reasonable accommodation requirements.

If no method of conducting a remote informal review is available that appropriately accommodates an individual's disability, the PHA may not hold against the individual their inability to participate in the remote informal review, and the PHA should consider whether postponing the remote informal review to a later date is appropriate or whether there is a suitable alternative.

Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation, will depend on the specific circumstances and requirements.

As with in-person reviews, Limited English Proficiency (LEP) requirements also apply to remote informal reviews, including the use of interpretation services and document translation. See Chapter 2 for a more thorough discussion of accessibility and LEP requirements, all of which apply in the context of remote informal reviews.

Conducting Remote Informal Reviews

The PHA must ensure that the lack of technology or inability to use technology for remote informal reviews does not pose a disadvantage to families that may not be apparent to the PHA. The PHA should determine through a survey or other means if these barriers exist prior to conducting the remote informal review and, if the family does not have the proper technology to fully participate, either postpone the informal review or provide an alternative means of access.

As with in-person informal reviews, the PHA must provide all materials presented, whether paper or electronic, to the family prior to the remote informal review. The family must also be provided with an accessible means by which to transmit their own evidence.

The PHA must ensure that the applicant has the right to hear and be heard. All PHA policies and processes for remote informal reviews must be conducted in accordance with due process requirements and be in compliance with HUD regulations at 24 CFR 982.554 and guidance specified in Notice PIH 2020-32.

SHA Policy

SHA will conduct remote informal reviews via a video conferencing platform, when available. If, after attempting to resolve any barriers, applicants are unable to adequately access the video conferencing platform at any point, or upon applicant request, the informal review will be conducted by telephone conferencing call-in. If the family is unable to adequately access the telephone conferencing call-in at any point, the remote informal review will be postponed, and an in-person alternative will be provided promptly within a reasonable time.

At least five business days prior to scheduling the remote review, SHA will provide the family with login information and/or conferencing call-in information and an electronic and/or physical copy of all materials being presented via first class mail and/or email. The notice will advise the family of technological requirements for the hearing and request the family notify SHA of any known barriers. SHA will resolve any barriers using the guidance in Section 6 of Notice PIH 2020-32, including offering the family the opportunity to attend an in-person hearing.

If the informal review is to be conducted remotely, SHA will require the family to provide any documents directly relevant to the informal review at least 24 hours before the scheduled review through the mail, via email, or text. SHA will scan and email copies of these documents to the SHA representative the same day.

Documents will be shared electronically whenever possible.

SHA will follow up the email with a phone call and/or email to the applicant at least one business day prior to the remote informal review to ensure that the applicant received all information and is comfortable accessing the video conferencing or call-in platform.

SHA will ensure that all electronic information stored or transmitted with respect to the informal review is secure, including protecting personally identifiable information (PII), and meets the requirements for accessibility for persons with disabilities and persons with LEP.

SHA Policy

Both SHA and the applicant may present evidence and witnesses. The applicant may, at the applicant's own expense, be represented by an attorney or other representative.

The applicant may be present at the review to provide information, but the applicant's presence is not required.

The review may be conducted as a conference call at the discretion of SHA.

Informal Review Decision [24 CFR 982.554(b)]

The PHA must notify the applicant of the PHA's final decision, including a brief statement of the reasons for the final decision.

SHA Policy

In rendering a decision, SHA will evaluate the following matters:

- Whether or not the grounds for denial were stated factually in the notice to the family.
- The validity of the 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. SHA 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, SHA will uphold the decision to deny assistance.
- If the facts prove the grounds for denial, and the denial is discretionary, SHA will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

SHA 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 their representative, if any, along with proof of mailing.

If the decision to deny is overturned as a result of the informal review, processing for admission will resume.

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

16-III C. INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555]

The PHA must offer an informal hearing for certain PHA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to the

PHA HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether the PHA's decisions related to the family's circumstances are in accordance with the law, HUD regulations and PHA policies.

The PHA is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed. Termination of assistance for a participant may include any or all of the following:

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

Decisions Subject to Informal Hearing
Circumstances for which the PHA must give a participant family an opportunity for an informal hearing are as follows:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the PHA utility allowance schedule
- A determination of the family unit size under the PHA's subsidy standards
- A determination to terminate assistance for a participant family because of the family's actions or failure to act
- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under PHA policy and HUD rules
- A determination to terminate a participant's enrollment in FSS or JobLink, 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 the PHA
- General policy issues or class grievances
- Establishment of the PHA schedule of utility allowances for families in the program
- A PHA determination not to approve an extension or suspension of a voucher term
- A PHA determination not to approve a unit or tenancy
- A PHA determination that a unit selected by the applicant is not in compliance with the NSPIRE standards
- A PHA determination that the unit is not in accordance with space standards because of family size
- A determination by the PHA to exercise or not to exercise any right or remedy against an owner under a HAP contract

SHA Policy

An opportunity for an informal hearing will always be provided before terminating assistance. The PHA will only offer participants the opportunity for an informal hearing when required to by the regulations, and if the PHA denies a request for a reasonable accommodation (see Chapter 2).

Informal Hearing Procedures

Notice to the Family [24 CFR 982.555(c)]

When the PHA makes a decision that is subject to informal hearing procedures, the PHA must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, the PHA must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to the PHA'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.

SHA Policy

Participants shall be notified in writing of decisions regarding the amount of their assistance or their eligibility for continued participation in the program. Participants will be given prompt notice of such decisions, which shall include:

- The proposed action or decision;
- A brief statement on the reasons for the decision
- The date the proposed action or decision will take place;
- The participant's right to an explanation of the basis for the decision;
- The procedures for requesting a hearing if the participant disputes the action or decision;
- The deadline for requesting the hearing; and
- The name or title of the person to whom the hearing request should be addressed.
- A copy of the PHA's hearing procedures.
- That the family may request a remote informal hearing.

If SHA obtains criminal record information from a State or local agency showing that a household member has been convicted of a crime that may result in a denial of continued participation in the program, SHA will notify the household of the proposed action and will provide the subject of the record and the participant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information. (24 CFR 5.903(f))

A copy of SHA's hearing procedures shall be provided if requested by the family.

Scheduling an Informal Hearing [24 CFR 982.555(d)]

When an informal hearing is required, the PHA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

SHA Policy

A request for an informal hearing must be made in writing and delivered to SHA 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 SHA's decision or notice to terminate assistance.

When a request for an informal hearing is received, a hearing shall be scheduled within 30 days from the date the request is received by SHA. The hearing notification shall state:

- The date and time of the hearing;
- The place where the hearing will be held;

- That the participant has a right to present evidence and witnesses, bring translators, and be represented by legal or other representatives at the participant's expense; and
- The participant's pre-hearing right to discovery.

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, SHA may request documentation of the "good cause" prior to rescheduling the hearing.

If the family does not appear within 20 minutes of the scheduled time and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact SHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. SHA will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Pre-Hearing Right to Discovery [24 CFR 982.555(e)]

Participants and the PHA are permitted pre-hearing discovery rights. The family must be given the opportunity to examine before the hearing any PHA documents that are directly relevant to the hearing. The family must be allowed to copy any such documents at their own expense. If the PHA does not make the document available for examination on request of the family, the PHA may not rely on the document at the hearing.

The PHA hearing procedures may provide that the PHA must be given the opportunity to examine at the PHA offices before the hearing, any family documents that are directly relevant to the hearing. The PHA must be allowed to copy any such document at the PHA's expense. If the family does not make the document available for examination on request of the PHA, the family may not rely on the document at the hearing.

For the purpose of informal hearings, *documents* include records and regulations.

SHA Policy

If the family requests copies of documents relevant to the hearing, SHA will make the copies for the family and assess a charge of 15 cents per copy. In no case will the family be allowed to remove the file from SHA's office. The family must request discovery of PHA documents no later than three business days prior to the scheduled hearing date.

SHA shall have the opportunity to examine, at its offices, before the hearing, any of the participant's documents that are relevant to the hearing and must be allowed to copy any such document at its expense. Any documents not provided to SHA may not be used in the hearing.

Participant's Right to Bring Counsel [24 CFR 982.555(e)(3)]

At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

SHA Policy

Other Participant Rights

Hearings Not Involving a Voucher Termination

Participants have the right to:

- Present written or oral objections to SHA's determination;
- Present any information or witnesses on any pertinent issues; and
- Request that SHA staff be available or present at the hearing to answer questions pertinent to the case.

Hearings Involving a Voucher Termination
SHA shall afford, at a minimum, the following procedural safeguards to any Housing Choice Voucher participant facing termination:

- At least 30 days' notice of the grounds for termination;
- An opportunity to appear in person and present objections orally;
- An opportunity to present any information or witnesses on any pertinent issues;
- An opportunity to confront and cross-examine adverse witnesses;
- A competent and impartial decision-maker;
- Determination of relevant facts by a preponderance of the evidence;
- A decision based solely on the evidence and arguments presented at the hearing;
- A written decision that explains the legal reasoning and factual basis for the decision;
- A record made of the hearing.

SHA Rights

Hearings Not Involving a Voucher Termination
In addition to other rights contained in this Chapter, SHA has a right to:

- Present evidence and information on any pertinent issue;
- Three days' advance notice of the participant's intent to be represented by legal counsel or other advocate or representative;
- Examine and copy any documents presented at the hearing;
- Be represented by counsel; and
- Have staff persons and other witnesses familiar with the case present.

Hearings Involving a Voucher Termination
In addition to other rights contained in this Chapter, SHA has a right to:

- Present evidence and information on any pertinent issue;
- Three days' advance notice of the participant's intent to be represented by legal counsel or other advocate or representative;
- Examine and copy any documents presented at the hearing;
- Be represented by counsel; and
- Have witnesses testify on any issue and have staff persons and other witnesses familiar with the case present.

Informal Hearing Officer [24 CFR 982.555(e)(4)]
Informal hearings will be conducted by a person or persons approved by the PHA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

SHA Policy

Persons having no other affiliation with SHA (i.e., other than as Hearing Officers) shall serve as Hearing Officers in termination of Housing Choice Voucher informal hearings; provided that, SHA reserves the right to establish an in-house Hearing Officer position, and; provided further, that such an in-house Hearing Officer shall meet the Hearing Officer qualifications, will be selected, and will be subject to performance reviews.

SHA will maintain a roster of persons approved to serve as Hearing Officers. To the extent possible, the roster shall contain at least three (3) approved Hearing Officers at all times. SHA will assign Hearing Officers from the roster to specific cases through a blind rotating basis; exceptions will be made only for good cause, which shall include, but not limited to, scheduling difficulties and ethical conflicts. On written agreement of the parties, a person (or persons) not listed on SHA's roster of Hearing Officers may serve as the Hearing Officer for a particular case.

SHA shall solicit applications when the number of active hearing officers on SHA's roster falls below three (3).

Consistent with SHA hiring policies, SHA will advertise for Hearing Officer(s) periodically, in order to maintain a minimum of three (3) Hearing Officers on a roster to serve as Hearing Officers for informal hearings.

Whenever additional Hearing Officers are to be added to the roster, SHA will form a selection panel, composed of five members. The panel shall include housing authority officials and staff and non- housing authority personnel who have Section 8 expertise, legal training and/or experience in mediation/arbitration. One panel member shall be appointed by the Seattle Tenant's Union and one panel member shall be appointed by the King County Bar Association Housing Justice Project's Sponsor Group, provided that no one from the following organizations shall be selected to serve on the panel: The Northwest Justice Project, the Legal Action Center, Columbia Legal Services, or any other organization whose members or staff regularly represent Housing Choice Voucher participants in SHA informal hearings.

The panel will review Hearing Officer Applicant resumes, conduct in-person interviews and recommend candidates to the SHA hiring official or officials for selection.

SHA will advertise a rate of compensation for Hearing Officers reasonably calculated to attract qualified applicants to apply for the position. All advertisements shall be posted to the websites of the Seattle Housing Authority, the Washington State Bar Association, the King County Bar Association, and the Advocate Resources Center.

Advertisements for SHA Hearing Officers will indicate that qualified applicants must have legal training and experience defined as:

- A Juris Doctorate from an accredited law school; and
- At least three years relevant experience as an attorney, law clerk, judge, arbitrator, administrative law judge, or other legal professional.

Hearing Officer Evaluation

Consistent with SHA's Human Resource policies, each Hearing Officer will be subject to an annual performance evaluation.

To facilitate such reviews, SHA shall, at the conclusion of each informal hearing, distribute "Informal Hearing Evaluation Forms" to all persons in attendance; the form shall ask:

- Whether the Hearing Officer was courteous and respectful;
- Whether the Hearing Officer allowed the participant a fair opportunity to present their evidence and arguments;
- Whether the Hearing Officer was neutral and impartial; and
- Any other questions, as determined by SHA.

The Informal Hearing Evaluation form shall ask respondents to identify themselves as participants, advocates, witnesses, SHA staff, etc., but shall not ask persons to identify themselves by name, office or other identifying characteristics. The Informal Hearing Evaluation form shall contain information encouraging recipients to complete and deliver the form to SHA online or by mail, fax, email, or hand delivery and contain instruction on how to do so.

SHA may share information collected in the Informal Hearing Evaluation Form with Hearing Officers for the purpose of assisting Hearing Officers in evaluating and improving their performance.

Prior to each Hearing Officer's annual review, SHA will send to any attorneys and other advocates who appeared before the Hearing Officer a "Hearing Officer Evaluation Form," which shall ask to evaluate the performance of SHA Hearing Officers in the following areas:

- Professionalism/Demeanor/Conduct of the proceedings;
- Skill at evaluating evidence and determining facts;
- The soundness of legal rulings;
- Fairness and objectivity;
- Quality of analysis and clarity of written opinions; and
- Any other criteria, as determined by SHA.

The Hearing Officer Evaluation Form may ask respondents to identify themselves as attorneys or other types of advocates but shall not ask person to identify themselves by name, office, or other identifying characteristics. The Hearing Officer Evaluation Form shall contain information encouraging recipients to complete and deliver the form to SHA by mail, fax, email, or hand delivery and contain instructions on how to do so.

Attendance at the Informal Hearing

SHA Policy

Hearings may be attended by a hearing officer and the following applicable persons:

- A SHA representative(s) and any witnesses for SHA
- The participant and any witnesses for the participant
- The participant's counsel or other representative
- Any other person approved by SHA as a reasonable accommodation for a person with a disability

Conduct at Hearings

The person who conducts the hearing may regulate the conduct of the hearing in accordance with the PHA's hearing procedures [24 CFR 982.555(4)(ii)].

SHA 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.

The informal hearing shall be conducted by a Hearing Officer appointed by SHA who is neither the person who made or approved the decision, nor a subordinate of that person.

Only the issues subject to appeal and raised by the participant in their notice of appeal shall be addressed at the hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence in judicial proceedings.

No documents may be presented at the hearing which have not been provided to the other party if requested before the hearing. "Documents" include all written records.

If the family fails to appear at the hearing or fails to meet a deadline imposed by the Hearing Officer, the decision of SHA shall become final and take effect immediately. No new hearing will be granted unless the applicant is able to demonstrate to SHA, by clear and compelling evidence, that their failure to appear or meet the deadline was caused by circumstances beyond their control.

Hearings not Involving a Voucher Termination
If the participant desires an audio recording of the hearing, the recording must be requested at least one business day prior to the hearing date.

The Hearing Officer may ask the family for additional information and/or may adjourn the hearing as needed. If the family requests a reasonable accommodation during the hearing, the Hearing Officer will make a decision to approve or deny the request based on the criteria in the Reasonable Accommodations Policy section of this Plan. In the case of domestic violence, the hearing may be postponed pending further investigation.

Hearings Involving a Voucher Termination
The Hearing Officer must have the qualifications described in this section above.

A participant family may present any relevant legal argument arising from any valid source of law at information hearings, and hearing officers shall consider such arguments to the extent that they are relevant and germane to the case. An argument is relevant if the manner in which the contention is resolved could affect the outcome of the hearing. Relevance shall be determined by the Hearing Officer based on the specific facts and circumstances of each particular case. No legal theories or authorities shall be precluded from consideration at informal hearings or otherwise excluded on a categorical or near-categorical basis.

Hearing Officers may exclude evidence that is irrelevant, immaterial, or unduly repetitious, and; Hearing Officers shall consider evidentiary principles, including, but not limited to:

- That the information offered is not relevant to the proceeding; “relevant” means having a tendency to prove that any fact of consequence to the outcome of the hearing more likely or less likely than without the information;
- That the information offered presents a danger of unfair prejudice, confusion of the issues, undue delay, or other delay, or other deleterious effects that substantially outweighs the probative value of the information;
- That the information is offered in violation of some public policy, such as evidence unlawfully obtained in violation of a family’s legal or constitutional rights, or evidence obtained in the course of settlement negotiations, or evidence of a person’s character offered to prove action in conformity therewith on a specific occasion; or
- That the information lacks competence or is not based on personal knowledge.

SHA shall record all informal hearings by electronic means. If a participant objects to the recording of their informal hearing, the hearing officer will not make an official recording, but may make a personal recording for their own use.

If a party seeks to record any informal hearing by means other than audio recording, such as by stenographic transcription or by audio/video recording, the hearing officer shall permit such alternative recording at the requesting party’s expense, unless good cause exists to disallow the method of recording, in which case the hearing officer should state the reasons for denial on the record or in the written decision.

SHA shall provide a copy of a hearing recording to the family or its representative on request, provided that the family or its representative shall pay reasonable reproduction costs prior to receiving the recordings.

The Hearing Officer may ask the family for additional information and/or may adjourn the hearing as needed.

Hearing Officers shall not impose arbitrary limits on the length of time that a hearing may last, or the amount of time specific portion of the hearing may consume or impose unreasonable limits on the number of witnesses that may be called or the number of exhibits that may be presented. Hearing Officers may impose such limits but only as warranted for cause in their discretion, in which case the Hearing Officer should state the reasons for imposing the limits on the record or in the written decision.

Evidence [24 CFR 982.555(e)(5)]

The PHA 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.

SHA 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 SHA. 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 SHA 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.

Procedures for Rehearing or Further Hearing

SHA 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 SHA will take effect and another hearing will not be granted.

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.

SHA Policy

The hearing officer will issue a written decision to the family and SHA no later than 10 business days after the hearing. The report will contain the following information:

Hearings Not Involving a Voucher Termination

- A clear statement of the Hearing Officer's findings, conclusion and decision;

- A clear summary of the decision and explanation of the reasons;
- If the decision involves money owed, a clear statement of the amount owed, and documentation of the calculation of the amount owed; and
- The date the decision is effective.

Hearings Involving a Voucher Termination

- The names of all persons present at the hearing, and identification of their roles (whether as the hearing officer, a representative for SHA, a member of the family, a witness, interpreter, or other);
- The date and location of the hearing (and if the hearing occurred over multiple days, the date the hearing began and the date it ended);
- A summary of the factual allegations and the SHA action or decision under review;
- A summary of any evidence and arguments presented by the parties;
- A statement of the facts upon which the decision is based;
- A clear statement of the conclusion of law and any other relief ordered; and
- If the decision is to uphold termination, notice of the availability of judicial review. Such notice shall also indicate: that time limitations for seeking judicial review may apply, that participants who seek judicial review must do so at their own expense, that neither the hearing officer nor SHA can offer legal advice, and that participants who cannot afford an attorney may seek information and referral to a legal services provider by dialing 211 or, if using a payphone, by dialing 1-877-211-WASH (9274).

Issuance of Decision [24 CFR 982.555(e)(6)]
A copy of the hearing must be furnished promptly to the family.

SHA Policy

The hearing officer will mail a "Notice of Hearing Decision" to SHA and to the participant on the same day. This notice will be sent by first-class mail. The participant will be mailed the original "Notice of Hearing Decision" and a copy of the proof of mailing. A copy of the "Notice of Hearing Decision" will be maintained in the PHA's file.

Effect of Final Decision [24 CFR 982.555(f)]
The PHA is not bound by the decision of the hearing officer for matters in which the PHA is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to federal, state, or local laws.

If the PHA determines it is not bound by the hearing officer's decision in accordance with HUD regulations, the PHA must promptly notify the family of the determination and the reason for the determination.

SHA Policy

SHA shall not be bound by any decision that:

- Concerns matters for which no opportunity for a hearing is provided;
- Conflicts with or contradicts HUD regulations or requirements;
- Conflicts with or contradicts federal, state or local laws;
- Exceeds the authority of the Hearing Officer; or
- Involves issues not raised in the participant's appeal notice.

If SHA determines that it is not bound by the Hearing Officer's decision it shall, within 10 days of the date of the Hearing Officer's decision, so advise the participant in writing, which shall include the reasons for SHA's determination that it will not be bound by the decision.

16-III D. HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the PHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the PHA 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)]

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 the PHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

USCIS Appeal Process [24 CFR 5.514(e)]

When the PHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the PHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the PHA with a copy of the written request for appeal and the proof of mailing.

SHA Policy

SHA 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 SHA 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 the PHA, of its decision. When the USCIS notifies the PHA of the decision, the PHA must notify the family of its right to request an informal hearing.

SHA Policy

SHA 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 the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

SHA Policy

The request for an SHA hearing must be made within 14 calendar days of receipt of the notice of the right to appeal to the INSUSCIS decision or request an informal SHA hearing.

Informal Hearing Officer

The PHA 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 the PHA 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.

SHA Policy

The participant has the right to view any available documents or evidence upon which SHA based the proposed action and, at the family's expense, obtain a copy of such documents prior to the hearing. Requests for such documents or evidence must be received no later than three business days before the hearing date. If the family requests copies of documents relevant to the hearing, SHA will make the copies for the family and assess a charge of 15 cents per copy. In no case will the family be allowed to remove the file from SHA's office.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the PHA, and to confront and cross-examine all witnesses on whose testimony or information the PHA 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 request an interpreter. Upon request, the PHA will provide competent interpretation services, free of charge.

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.

SHA Policy

SHA 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.

Informal Hearing Procedures for Residents [24 CFR 5.514(f)]
After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of 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.

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 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 a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

Part IV: Owner or Family Debts to the PHA

16-IV A. OVERVIEW

PHAs are required to include in the administrative plan, policies concerning repayment by a family of amounts owed to the PHA [24 CFR 982.54]. If the family breaches an agreement with the PHA to pay amounts owed to a PHA, or amounts paid to an owner by a PHA, the PHA, at its discretion, may offer a family the opportunity to enter an agreement to pay amounts owed to a PHA or amounts paid to an owner by a PHA. The PHA may prescribe the terms of the agreement [24 CFR 982.552(c)(1)(vii). This part describes the PHA's policies for recovery of monies owed to the PHA by families or owners.

SHA Policy

When an action or inaction of an owner or participant results in the overpayment of housing assistance, SHA holds the owner or participant liable to return any overpayments to SHA.

SHA 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 SHA, SHA will utilize other available collection alternatives including, but not limited to, the following:

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

16-IV B. REPAYMENT POLICY

Owner Debts to SHA

SHA Policy

If an owner has received Housing Assistance Payments or claim payments to which the owner is not entitled, SHA may recover such amounts from future Housing Assistance Payments or claim payments owed the owner.

If future housing assistance or claim payments are insufficient to recover the amounts owed in a reasonable time, SHA may:

- Demand that the owner pay the amount in full within 30 days;
- Enter into a payment agreement with the owner for the amount owed;
- Refer the debt to a collection agency;
- File a lawsuit to recover the debt; or
- Prohibit the owner's future participation in the program.

Family Debts to SHA

Families are required to reimburse the PHA if they were charged less rent than required because the family either underreported or failed to report income. PHAs are required to determine retroactive rent amounts as far back as the PHA has documentation of family unreported income [Notice PIH 2018-18].

SHA Policy

Any amount owed to SHA by an HCV family must be repaid by the family. SHA will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, SHA must terminate assistance [Notice PIH 2018-18] in accordance with the policies in Chapter 12 and pursue other modes of collection.

Repayment Agreement [24 CFR 792.103]

The term *repayment agreement* refers to a formal written document signed by a tenant or owner and provided to the PHA in which a tenant or owner acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods.

General Repayment Agreement Guidelines for Families

Down Payment Requirement

SHA Policy

SHA does not require a down payment as part of payment plans.

Payment Thresholds

Notice PIH 2018-18 recommends that the total amount that a family must pay each month—the family's monthly share of rent plus the monthly debt repayment amount—should not exceed 40 percent of the family's monthly adjusted income. However, a family may already be paying 40 per cent or more of its monthly adjusted income in rent. Moreover, Notice 2018-18 acknowledges that PHAs have the discretion to establish "thresholds and policies" for repayment agreements with families [24 CFR 982.552(c)(1)(vii)].

SHA Policy

SHA has not established thresholds for repayment agreements.

The monthly payment shall be the greater of $50 or the total amount due divided by the number of months in the term of the payment agreement, up to 24 months (1/12th of the total amount owing for a 12-month payment plan, 1/18th for an 18-month payment plan, etc.).

The HCV Deputy Director may approve a decrease or temporary (up to 6 months) deferral of the monthly payment for participants who experience a hardship (such as loss of income or a medical situation), provided that the participant requests a hardship in a reasonable time, provides verification of the hardship, and has been in compliance with the terms of the agreement up until the hardship. The change in monthly payment shall be made an attachment to the payment agreement and shall be signed by the HCV Deputy Director and the participant(s). The term of the payment agreement shall be lengthened accordingly.

Repayment Term

SHA Policy

The payment agreement term shall range from 2 to 24 months but shall in any event be the minimum time period in which the participant can be reasonably expected to repay the debt owed. Written requests to the HCV Deputy Director for a term longer than 24 months will be reviewed on a case-by- case basis.

Execution of the Agreement

SHA Policy

All repayment agreements must be in writing, dated, and signed by both the family and the PHA [Notice PIH 2018-18].

Methods of Payment

SHA Policy

Payments shall be made by money order, personal check, or cashier's check.

Due Dates

SHA Policy

All payments are due by the close of business on the 5th day of the month. If the 5th does not fall on a business day, the due date is the close of business on the first business day after the 5th.

Requests to Move

SHA Policy

No move with continued assistance will be approved until the debt is paid in full or the family is current in their payment agreement, unless the move is the result of one of the following causes:

- Family size exceeds the HQS maximum occupancy standards;
- The HAP Contract is terminated due to owner non-compliance or opt-out;
- A man-made or natural disaster;
- The move is pursuant to a reasonable accommodation approved by SHA; or

- The move is necessary as a result of domestic violence, with documentation of police reports and a court-ordered restraining order.

SHA may require that a payment agreement be current before issuing a voucher to move in these cases.

Late or Missed Payments

SHA Policy

Payments shall be delinquent if not received by SHA within five business days of the due date. Failure to make any payment before it is delinquent shall constitute a default under the payment agreement.

When a payment is delinquent the participant's assistance may be terminated and SHA may pursue any available remedy, including filing a civil action, to collect the balance owing.

No Offer of Repayment Agreement

SHA Policy

SHA, in its sole discretion, may enter into payment agreements with owners or participants. SHA will generally not enter into payment agreements when:

- There is an existing payment agreement between SHA and the participant;
- The participant has already had two payment agreements in the past (even if they are both paid in full);
- SHA determines that the participant has committed or has attempted to commit program fraud; or
- SHA determines that the amount owed is more than the participant can repay in a reasonable period of time.

Repayment Agreements Involving Improper Payments

All repayment agreements must be in writing, dated, signed by both the family and the PHA, include the total retroactive rent amount owed, any amount of lump sum payment made at time of execution, if applicable, and the monthly repayment amount. Notice PIH 2018-18 requires certain provisions, at a minimum, be included in any repayment agreement involving amounts owed by a family because it underreported or failed to report income:

- A reference to the items in the family briefing packet that state the family's obligation to provide true and complete information at every reexamination and the grounds on which SHA may terminate assistance because of a family's action or failure to act
- A statement clarifying that each month the family not only must pay to SHA the monthly payment amount specified in the agreement but must also pay to the owner the family's monthly share of the rent to owner
- A statement that the terms of the repayment agreement may be renegotiated if the family's income decreases or increases
- A statement that late or missed payments constitute default of the repayment agreement and may result in termination of assistance

16-IV C.RECORD KEEPING

In alignment with HUD Form-52675 and records in EIV, SHA shall maintain a record of the family debt in its financial systems for up to 10-years from the end of participation date. At that time, the record will be non-owing.

Part V: Section 8 Management Assessment Program (SEMAP)

16-V A.OVERVIEW

SHA Policy

SHA is exempt from SEMAP requirements. Instead, SHA is evaluated by HUD on the basis of its annual MTW Report (MTW Agreement VII. B.1)

Part VI: Record Keeping

16-VI A. OVERVIEW

The PHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the PHA 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 ; 24 CFR 908.101]

During the term of each assisted lease, and for at least three years thereafter, The PHA must keep:

- A copy of the executed lease;
- The HAP contract; and
- The application from the family.

In addition, the PHA 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 PHA budget and financial statements for the program;
- Records to document the basis for PHA determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract); and
- Other records specified by HUD.

The PHA must keep the last three years of the Form HUD-50058 and supporting documentation during the term of each assisted lease, and for a period of at least three years from the end of participation (EOP) date [24 CFR 908.101].

The PHA must maintain Enterprise Income Verification (EIV) system Income Reports in the tenant file for the duration of the tenancy but for a period not to exceed three years from the EOP date [Notice PIH 2018-18].

Notice PIH 2014-20 requires PHAs to keep records of all complaints, investigations, notices, and corrective actions related to violations of the Fair Housing Act or the equal access final rule.

The PHA must keep confidential records of all emergency transfer requested by victims of domestic violence, dating violence, sexual assault, and stalking under the PHA's Emergency Transfer Plan, as well as the outcomes of such requests, and retain the records for a period of three years [24 CFR 5.2002(e)(12)].

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.

SHA Policy

Records

All applicant and participant information will be kept in a secure location and access will be limited to authorized SHA staff.

SHA's policy is to protect the privacy of applicants and participants. SHA 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.

Forwarding Addresses; Information Necessary to Collect Delinquent Accounts

Unless a privacy request is made by the voucher holder, HCV will provide information on forwarding addresses for current and former participants to police or other governmental authorities, previous landlords, and other public housing authorities, upon request by those parties.

Regardless of any privacy request on record, information regarding delinquent residents/participants may be exchanged when it is deemed in the interest of SHA and its collection effort.

Requests by Governmental Agencies and Attorneys to View, Copy, or Remove Documents

Requests by law enforcement agencies to view, copy or remove documents shall be made to the SHA General Counsel.

Public Disclosure Law

All requests for personally identifiable information about applicants and participants under the Freedom of Information Act or any other public disclosure law shall be referred to the SHA General Counsel.

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 the PHA may release the information collected.

Upfront Income Verification (UIV) Records

PHAs that access UIV data through HUD's Enterprise Income Verification (EIV) system are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with federal laws, regardless of the media on which the data is recorded (e.g., electronic, paper). These requirements are contained in the HUD-issued document, *Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification data.*

SHA Policy

Prior to utilizing HUD's EIV system, SHA will adopt and implement EIV security procedures required by HUD.

Criminal Records

The PHA may only disclose the criminal conviction records which the PHA receives from a law enforcement agency to officers or employees of the PHA, or to authorized representatives of the PHA who have a job-related need to have access to the information [24 CFR 5.903(e)].

The PHA must establish and implement a system of records management that ensures that any criminal record received by the PHA 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 PHA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

The PHA must establish and implement a system of records management that ensures that any sex offender registration information received by the PHA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation. However, a record of the screening, including the type of screening and the date performed must be retained [Notice PIH 2012-28]. This requirement does not apply to information that is public information, or is obtained by a PHA other than under 24 CFR 5.905.

SHA Policy

As a condition of SHA's agreement with the Seattle Police Department, SHA may not make or furnish copies of confidential police reports. SHA may show the participant SHA's copy of the police report. Parties to the police report may obtain their own copies of the police report at their own expense at the local police department.

SHA will maintain the confidentiality of any criminal record received and take reasonable precautions to ensure that such records are not misused or improperly disseminated. Such records shall be destroyed when the purpose for which they were requested has been accomplished.

Misuse of the above information by any employee will be grounds for termination of employment.

Medical/Disability Records

PHAs are not permitted to inquire about the nature or extent of a person's disability. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA should not place this information in the tenant file. The PHA should destroy the document.

SHA Policy

The SHA HCV Program shall not share personal information protected by the Health Information Portability and Accountability Act (HIPAA) with any other party, and therefore is not a Business Associate under the Act.

SHA shall not provide verification of medical deductions to other housing authorities as part of the information provided for voucher holders porting out. SHA will not share health- related information with owners or managers of project-based buildings. All health-related information provided by any applicant or participant will be safeguarded and will not be shared with any third party except as required by law enforcement and other regulatory authorities.

Any and all information which would lead one to determine the nature and/or severity of a person's disability must be kept in a separate folder and marked "confidential" or returned to the family member after its use. The personal information in this folder must not be released except on an "as-needed" basis in cases where an accommodation is under consideration.

Documentation of Domestic Violence, Dating Violence, Sexual Assault, or Stalking
For requirements and PHA policies related to management of documentation obtained from victims of domestic violence, dating violence, sexual assault, or stalking, see section 16-IX.E.

Part VII: Reporting and Record Keeping for Children with Elevated Blood Lead Level

16-VII A.OVERVIEW

The PHA has certain responsibilities relative to children with elevated blood lead levels that are receiving HCV assistance. The notification, verification, and hazard reduction requirements are discussed in Chapter 8. This part deals with the reporting requirements, and data collection and record keeping responsibilities that the PHA is subject to.

16-VII B. REPORTING REQUIREMENT [24 CFR 35.1225(E); NOTICE PIH 2017-13]

The owner must report the name and address of a child identified as having an elevated blood lead level to the public health department within five business days of being so notified by any other medical health care professional. The owner must also notify the HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes (OLHCHH) of the child's address within five business days. The PHA may collaborate with the owner on the notification process, such as by agreeing with the owner to provide the required notifications on the owner's behalf.

PHA Policy

Upon notification by the owner, SHA will provide the public health department written notice of the name and address of any child identified as having an elevated blood lead level within five business days.

Upon notification by the owner, SHA will notify the HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes (OLHCHH) of the child's address within five business days.

16-VII C. DATA COLLECTION AND RECORD KEEPING [24 CFR 35.1225(F)]

At least quarterly, the PHA 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 elevated blood lead level.

If the PHA obtains names and addresses of elevated blood lead level children from the public health department(s), the PHA must match this information with the names and addresses of families receiving HCV assistance, unless the public health department performs such a procedure. If a match occurs, the PHA must carry out the notification, verification, and hazard reduction requirements discussed in Chapter 8, and the reporting requirement discussed above.

At least quarterly, the PHA 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.

SHA Policy

The public health department has stated they wish to receive a report of an updated list of the addresses of units receiving assistance with children under six under the HCV program, on a quarterly basis. The public health department compares the report with information in their

database to determine the risk of elevated blood levels in children and notifies SHA whether or not a match occurs.

Part VIII: Determination of Insufficient Funding

16-VIII A. OVERVIEW

The HCV regulations allow PHAs to deny families permission to move and to terminate Housing Assistance Payments (HAP) contracts if funding under the consolidated ACC is insufficient to support continued assistance [24 CFR 982.354(e)(1) and 982.454]. If the PHA denies a family a portability move based on insufficient funding, the PHA is required to notify the local HUD office within 10 business days [24 CFR 982.354]. Insufficient funding may also impact the PHA's ability to issue vouchers to families on the waiting list. This part discusses the methodology the PHA will use to determine whether or not the PHA has sufficient funding to issue vouchers, approve moves, and to continue subsidizing all families currently under a HAP contract.

16-VIII B. METHODOLOGY

SHA Policy

SHA 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 SHA'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, SHA 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 leased per remaining months by the most current month's average HAP. The projected number of units leased 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 and funding reserves, or if SHA cannot support the cost of the proposed subsidy commitment (voucher issuance or move) based on the funding analysis, SHA will be considered to have insufficient funding.

Part IX: Violence Against Women Act (VAWA): Notification, Documentation, Confidentiality

16-IX A. OVERVIEW

The Violence against Women Act of 2013 (VAWA) provides special protections for victims of domestic violence, dating violence, sexual assault and stalking who are applying for or receiving assistance under the housing choice voucher (HCV) program. If your state or local laws provide greater protection for such victims, those laws apply in conjunction with VAWA.

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, 42 USC 13925]

As used in VAWA:

- The term *bifurcate* means, 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.

- The term *dating violence* means 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
- The term *domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
- The term *affiliated individual* means, with respect to a person:
    - A spouse, parent, brother or sister, or child of that individual, or an individual to whom that individual stands in the position or place of a parent; or
    - Any other individual, tenant, or lawful occupant living in the household of the victim of domestic violence, dating violence, sexual assault, or stalking.
- The term *sexual assault* means:
    - Any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks the capacity to consent
- The term *stalking* means:
    - To engage in a course of conduct directed at a specific person that would cause a reasonable person to fear for their safety or the safety of others, or suffer substantial emotional distress.

16-IX C.NOTIFICATION [24 CFR 5.2005(A)]

Notification to Public

The PHA adopts the following policy to help ensure that all actual and potential beneficiaries of its HCV program are aware of their rights under VAWA.

SHA Policy

SHA will post the following information regarding VAWA in its offices and on its website. It will also make the information readily available to anyone who requests it.

- A copy of the notice of occupancy rights under VAWA to housing choice voucher program applicants and participants who are or have been victims of domestic violence, dating violence, sexual assault, or stalking (Form HUD-5380, see Exhibit 16-1)
- A copy of form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation (see Exhibit 16-2)
- A copy of SHA's emergency transfer plan (Exhibit 16-3)
- The National Domestic Violence Hot Line: 1-800-799-SAFE (7233), (TTY) 1-800-787-3224, http://www.TheHotLine.org;
  The National Sexual Assault Hotline: 1-800-656-HOPE (4673); and
  Contact information for local victim advocacy groups, resources and service providers.

Notification to Program Applicants and Participants [24 CFR 5.2005(a)(1)]

PHAs are required to inform program applicants and participants of their rights under VAWA, including their right to confidentiality and the limits thereof, when they are denied assistance, when they are admitted to the program, and when they are notified of an eviction or termination of housing benefits.

SHA Policy

SHA will provide all applicants with information about VAWA at the time they request an application for housing assistance, as part of the written briefing packet, and at the time the family is admitted to the program. SHA will also include information about VAWA in all notices of denial of assistance (see section 3-III.G).

SHA will provide all participants with information about VAWA at the time of admission (see section 5-I.B). SHA 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 notices in Exhibits 16-1 and 16-2.

The PHA is not limited to providing VAWA information at the times specified in the above policy. If the PHA decides to provide VAWA information to a participant following an incident of domestic violence, Notice PIH 2017-08 cautions against sending the information by mail, since the abuser may be monitoring the mail. The notice recommends that in such cases the PHA make alternative delivery arrangements that will not put the victim at risk.

SHA Policy

SHA may decide not to send mail regarding VAWA protections to the victim's unit if SHA believes the perpetrator may have access to the victim's mail, unless requested by the victim.

When discussing VAWA with the victim, SHA will take reasonable precautions to ensure that no one can overhear the conversation, such as having conversations in a private room.

The victim may, but is not required to, designate an attorney, advocate, or other secure contact for communications regarding VAWA protections.

Notification to Owners and Managers

While PHAs are no longer required by regulation to notify owners and managers participating in the HCV program of their rights and obligations under VAWA, the PHA may still choose to inform them.

SHA Policy

SHA will provide owners and managers with information about their rights and obligations under VAWA when they begin their participation in the program.

Owners can access additional VAWA information and resources, including the notice in Exhibit 16-5 and a copy of HUD-5382, Certification of Domestic Violence, Dating Violence, and Stalking and Alternate Documentation at seattlehousing.org.

16-IX D.DOCUMENTATION [24 CFR 5.2007]

A PHA presented with a claim for initial or continued assistance based on status as a victim of domestic violence, dating violence, sexual assault, 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. The PHA 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-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), which must include the name of the perpetrator only if the name of the perpetrator is safe to provide and is known to the victim. The form may be filled out and submitted on behalf of the victim.

2. A federal, state, tribal, territorial, or local police report or court record, or an administrative record
3. Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; a mental health professional; 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.

The PHA 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].

SHA Policy

Any request for documentation of domestic violence, dating violence, sexual assault or stalking will be in writing, 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.

SHA may, in its discretion, extend the deadline for 10 business days. In determining whether to extend the deadline, SHA will consider factors that may contribute to the victim's inability to provide documentation in a timely manner, including cognitive limitations, disabilities, limited English proficiency, absence from the unit, administrative delays, the danger of further violence, and the victim's need to address health or safety issues. Any extension granted by SHA will be in writing.

Once the victim provides documentation, SHA will acknowledge receipt of the documentation within 10 business days.

Conflicting Documentation [24 CFR 5.2007(e)]

In cases where the PHA 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, the PHA may determine which is the true victim by requiring each to provide acceptable third-party documentation, as described above (forms 2 and 3). The PHA may also request third-party documentation when submitted documentation contains information that conflicts with existing information already available to the PHA. Individuals have 30 calendar days to return third-party verification to the PHA. If the PHA does not receive third-party documentation, and the PHA will deny or terminate assistance as a result, the PHA must hold separate hearings for the tenants [Notice PIH 2017-08].

The PHA must honor any court orders issued to protect the victim or to address the distribution of property.

SHA Policy

If presented with conflicting certification documents from members of the same household, SHA 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(e) and by following any HUD guidance on how such determinations should be made.

When requesting third-party documents, SHA will provide contact information for local domestic violence and legal aid offices. In such cases, applicants or tenants will be given 30 calendar days from the date of the request to provide such documentation.

If SHA does not receive third-party documentation within the required timeframe (and any extensions) SHA will deny VAWA protections and will notify the applicant or tenant in writing of the denial. If, as a result, the applicant or tenant is denied or terminated from the program, SHA will hold separate hearings for the applicants or tenants.

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). HUD recommends documentation in a confidential manner when a verbal statement or other evidence is accepted.

SHA Policy

If SHA accepts an individual's statement or other corroborating evidence (as determined by the victim) of domestic violence, dating violence, sexual assault or stalking, SHA 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, sexual assault 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.

SHA Policy

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, SHA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

EXHIBIT 16-1: SAMPLE NOTICE OF OCCUPANCY RIGHTS UNDER THE VIOLENCE AGAINST WOMEN ACT, FORM HUD-5380

Seattle Housing Authority

Notice of Occupancy Rights under the Violence Against Women Act[2]

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.[3] The U.S. Department of Housing and Urban Development (HUD) is the Federal agency that oversees that Seattle Housing Authority (SHA) Housing Programs 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 Seattle Housing Authority Housing 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 Seattle Housing Authority Housing 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 Seattle Housing Authority Housing Programs solely on the basis of criminal activity directly relating to that domestic violence, dating violence, sexual assault, or stalking.

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

SHA 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.

[2] Despite the name of this law, VAWA protection is available regardless of sex, gender identity, or sexual Orientation.

[3] 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 available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

If SHA chooses to remove the abuser or perpetrator, SHA 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, SHA 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, SHA must follow Federal, State, and local eviction procedures. In order to divide a lease, SHA 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, SHA 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, SHA 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.

SHA 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.

SHA's emergency transfer plan provides further information on emergency transfers, and SHA 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

SHA 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 SHA must be in writing, and SHA 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. SHA 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 SHA as documentation. It is your choice which of the following to submit if SHA 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 SHA 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 they 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 SHA has agreed to accept.

If you fail or refuse to provide one of these documents within the 14 business days, SHA does not have to provide you with the protections contained in this notice. If SHA 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), SHA 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, SHA does not have to provide you with the protections contained in this notice.

Confidentiality

VAWA, including the fact that you are exercising your rights under VAWA.

SHA must not allow any individual administering assistance or other services on behalf of SHA (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.

SHA must not enter your information into any shared database or disclose your information to any other entity or individual. SHA, however, may disclose the information provided if:

- You give written permission to SHA to release the information on a time limited basis.
- SHA 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 SHA or your landlord to release the information.

VAWA does not limit SHA'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, SHA 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 SHA 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 SHA can demonstrate the above, SHA 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 the Seattle HUD field office by phone at (206)220-5101 or in person at 909 1st Ave #200, Seattle, WA 98104-10000.

For Additional Information

You may view a copy of HUD's final VAWA rule at: https://www.gpo.gov/fdsys/pkg/FR-2016-11-16/pdf/2016-25888.pdf.

Additionally, the Seattle Housing Authority must make a copy of HUD's VAWA regulations available to you if you ask to see them.

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).

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 the National Sexual Assault Hotline at 1-800-656-4673 or online at https://hotline.rainn.org/online.

Victims of stalking seeking help may contact the National Center for Victims of Crime's Stalking Resource Center at (202) 467-8700 or online at https://victimsofcrims.org/ourprograms/stalkingresource-center

EXHIBIT 16-2: CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING AND ALTERNATE DOCUMENTATION, FORM HUD-5382

CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING, AND ALTERNATE DOCUMENTATION

U.S. Department of Housing and Urban Development

OMB Approval No. 2577-0286
Exp. 06/30/2017

Purpose of Form: The Violence Against Women Act ("VAWA") protects applicants, tenants, and program participants in certain HUD programs from being evicted, denied housing assistance, or terminated from housing assistance based on acts of domestic violence, dating violence, sexual assault, or stalking against them. Despite the name of this law, VAWA protection is available to victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

Use of This Optional Form: If you are seeking VAWA protections from your housing provider, your housing provider may give you a written request that asks you to submit documentation about the incident or incidents of domestic violence, dating violence, sexual assault, or stalking.

In response to this request, you or someone on your behalf may complete this optional form and submit it to your housing provider, or you may submit one of the following types of third-party documentation:

(1) A document signed by you and an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional, or a mental health professional (collectively, "professional") from whom you have sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse. The document must specify, under penalty of perjury, that the professional believes the incident or incidents of domestic violence, dating violence, sexual assault, or stalking occurred and meet the definition of "domestic violence," "dating violence," "sexual assault," or "stalking" in HUD's regulations at 24 CFR 5.2003.

(2) A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency; or

(3) At the discretion of the housing provider, a statement or other evidence provided by the applicant or tenant.

Submission of Documentation: The time period to submit documentation is 14 business days from the date that you receive a written request from your housing provider asking that you provide documentation of the occurrence of domestic violence, dating violence, sexual assault, or stalking. Your housing provider may, but is not required to, extend the time period to submit the documentation, if you request an extension of the time period. If the requested information is not received within 14 business days of when you received the request for the documentation, or any extension of the date provided by your housing provider, your housing provider does not need to grant you any of the VAWA protections. Distribution or issuance of this form does not serve as a written request for certification.

Confidentiality: All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking shall be kept confidential and such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections to you, and such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you

in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

TO BE COMPLETED BY OR ON BEHALF OF THE VICTIM OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

1. Date the written request is received by victim:_____

2. Name of victim: _____

3. Your name (if different from victim's):_____

4. Name(s) of other family member(s) listed on the lease:_____

5. Residence of victim:

_____

6. Name of the accused perpetrator (if known and can be safely disclosed):_____

7. Relationship of the accused perpetrator to the victim:_____

8. Date(s) and times(s) of incident(s) (if known):_____

10. Location of incident(s):_____

In your own words, briefly describe the incident(s):

_____

_____

_____

_____

_____

_____

This is to certify that the information provided on this form is true and correct to the best of my knowledge and recollection, and that the individual named above in Item 2 is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature _____

Signed on (Date)_____

Public Reporting Burden: The public reporting burden for this collection of information is estimated to average 1 hour per response. This includes the time for collecting, reviewing, and reporting the data. The information provided is to be used by the housing provider to request certification that the applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking. The information is subject to the confidentiality requirements of VAWA. This agency may not collect this information, and

you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

EXHIBIT 16-3: EMERGENCY TRANSFER PLAN FOR VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

(HCV VERSION)

Attachment: Certification form HUD-5382

Seattle Housing Authority

Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

Housing Choice Voucher Program

Emergency Transfers

SHA is concerned about the safety of its tenants, and such concern extends to tenants who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA),[4] SHA allows tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the tenant's current unit to another unit. The ability to request a transfer is available regardless of sex, gender identity, or sexual orientation.[5] The ability of SHA to honor such request for tenants currently receiving assistance, however, may depend upon a preliminary determination that the tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, and on whether SHA has another dwelling unit that is available and is safe to offer the tenant for temporary or more permanent occupancy.

This plan identifies tenants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to tenants on safety and security. This plan is based on a model emergency transfer plan published by the U.S. Department of Housing and Urban Development (HUD), the federal agency that oversees that the public housing and housing choice voucher (HCV) programs are in compliance with VAWA.

Eligibility for Emergency Transfers

A tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in HUD's regulations at 24 CFR part 5, subpart L, is eligible for an emergency transfer if the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant remains within the same unit. If the tenant is a victim of sexual assault, the tenant may also be eligible to transfer if the sexual assault occurred on the premises within the 90-calendar- day period preceding a request for an emergency transfer.

A tenant requesting an emergency transfer must expressly request the transfer in accordance with the procedures described in this plan.

[4] Despite the name of this law, VAWA protection is available to all victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

[5] 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 available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

Tenants who are not in good standing may still request an emergency transfer if they meet the eligibility requirements in this section.

Emergency Transfer Request Documentation

To request an emergency transfer, the tenant shall notify Housing Choice Voucher staff. The participant must submit a written request for an emergency transfer. SHA will provide reasonable accommodations to this policy for individuals with disabilities.

The participant or applicant must use the VAWA Emergency Transfer Request form (Form HUD-5383) to request an emergency transfer; a copy of this form is attached as Exhibit 16-4. This form can be obtained by requesting one from HCV Staff or online at seattlehousing.org. Upon request, a HCV staff person may assist in completing this form. transfer.

Confidentiality

SHA will keep confidential any information that the tenant submits in requesting an emergency transfer, and information about the emergency transfer, unless the tenant gives SHA written permission to release the information on a time-limited basis, or disclosure of the information is required by law or required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program. This includes keeping confidential the new location of the dwelling unit of the tenant, if one is provided, from the person or persons that committed an act of domestic violence, dating violence, sexual assault, or stalking against the tenant. See the Notice of Occupancy Rights under the Violence against Women Act for All Tenants for more information about SHA's responsibility to maintain the confidentiality of information related to incidents of domestic violence, dating violence, sexual assault, or stalking.

Emergency Transfer Timing and Availability

SHA cannot guarantee that a transfer request will be approved or how long it will take to process a transfer request. SHA will, however, act as quickly as possible to move a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking to another unit, subject to availability and safety of a unit. If a tenant reasonably believes a proposed transfer would not be safe, the tenant may request a transfer to a different unit. If a unit is available, the transferred tenant must agree to abide by the terms and conditions that govern occupancy in the unit to which the tenant has been transferred. SHA may be unable to transfer a tenant to a particular unit if the tenant has not or cannot establish eligibility for that unit.

If SHA has no safe and available units for which a tenant who needs an emergency transfer is eligible, SHA will assist the tenant in identifying other housing providers who may have safe and available units to which the tenant could move. At the tenant's request, SHA will also assist tenants in contacting the local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking that are attached to this plan.

Emergency Transfers: Housing Choice Voucher (HCV) Program

Tenant-based assistance: If a participant in the tenant-based HCV program requests an emergency transfer as described in this plan, SHA will assist you to move to a safe unit quickly using their existing voucher assistance. SHA will make exceptions to program regulations restricting moves as required.

At the applicant or participant's request, SHA will refer them to organizations that may be able to further assist you.

Project-based assistance: Participants assisted under the project-based voucher (PBV) program, may make an emergency transfer request to their Housing Provider. Upon request by the Housing Provider, SHA may assist to facilitate an emergency transfer. SHA will facilitate this transfer under the following conditions:

- A vacant unit is available within the same project
- The Housing Provider determines the participant is eligible for continued project-based assistance
- The participant determines the vacant unit is safe
-

A modification to the Contract will be made following Section 17-V C of this plan, Substitution of Contract units. SHA will request documentation described in this section to support such a substitution,

For additional emergency transfer remedies, see17-VII C. Moves of this Administrative Plan

Safety and Security of Tenants

Pending processing of the transfer and the actual transfer, if it is approved and occurs, the tenant is urged to take all reasonable precautions to be safe.

Tenants who are or have been victims of domestic violence are encouraged to contact the National Domestic Violence Hotline at 1-800-799-7233, or a local domestic violence shelter, for assistance in creating a safety plan. For persons with hearing impairments, that hotline can be accessed by calling 1-800-787-3224 (TTY).

Tenants who have been victims of sexual assault may call the Rape, Abuse, and Incest National Network's National Sexual Assault Hotline at 1-800-656-HOPE or visit the online hotline at: https://ohl.rainn.org/online/.

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.

Attachment: Local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking.

EXHIBIT 16-4: EMERGENCY TRANSFER REQUEST FOR CERTAIN VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

EMERGENCY TRANSFER REQUEST FOR CERTAIN VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

U.S. Department of Housing and Urban Development

OMB Approval No. 2577-0286
Exp. 06/30/2017

Purpose of Form: If you are a victim of domestic violence, dating violence, sexual assault, or stalking, and you are seeking an emergency transfer, you may use this form to request an emergency transfer and certify that you meet the requirements of eligibility for an emergency transfer under the Violence Against Women Act (VAWA). Although the statutory name references women, VAWA rights and protections apply to all victims of domestic violence, dating violence, sexual assault or stalking. Using this form does

not necessarily mean that you will receive an emergency transfer. See your housing provider's emergency transfer plan for more information about the availability of emergency transfers.

The requirements you must meet 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. In response, you may submit Form HUD-5382, or any one of the other types of documentation listed on that Form.

(2) You expressly request the emergency transfer. Submission of this form confirms that you have expressly requested a transfer. Your housing provider may choose to require that you submit this form, or may accept another written or oral request. Please see your housing provider's emergency transfer plan for more details.

(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 submit this form or otherwise expressly request the transfer.

Submission of Documentation: If you have third-party documentation that demonstrates why you are eligible for an emergency transfer, you should submit that documentation to your housing provider if it is safe for you to do so. Examples of third party documentation include, but are not limited to: a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom you have sought assistance; a current restraining order; a recent court order or other court records; a law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts.

Confidentiality: All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking, and concerning your request for an emergency transfer shall be kept confidential. Such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections or an emergency transfer to you. Such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

TO BE COMPLETED BY OR ON BEHALF OF THE PERSON REQUESTING A TRANSFER

1. Name of victim requesting an emergency transfer: _____

2. Your name (if different from victim's)_____

3. Name(s) of other family member(s) listed on the lease:_____

_____

4. Name(s) of other family member(s) who would transfer with the victim:_____

_____

5. Address of location from which the victim seeks to transfer: _____

6. Address or phone number for contacting the victim:_____

7. Name of the accused perpetrator (if known and can be safely disclosed):_____

8. Relationship of the accused perpetrator to the victim:_____

9. Date(s), Time(s) and location(s) of incident(s):_____

_____

10. Is the person requesting the transfer a victim of a sexual assault that occurred in the past 90 days on the premises of the property from which the victim is seeking a transfer? If yes, skip question 11. If no, fill out question 11. _____

11. Describe why the victim believes they are threatened with imminent harm from further violence if they remain in their current unit.

_____

_____

12. If voluntarily provided, list any third-party documentation you are providing along with this notice: _____

This is to certify that the information provided on this form is true and correct to the best of my knowledge, and that the individual named above in Item 1 meets the requirement laid out on this form for an emergency transfer. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature _____Signed on (Date) _____

Chapter 17: Project-Based Voucher (PBV) And Agency-Based Voucher Programs

Refer to SHA Board Resolutions 4555, 4578, 4633, 4708, 4899, and SHA Move to Work (MTW Contract)

SHA established its Project-Based Voucher Program in 2000 and expanded the Agency-Based Voucher Program in 2002. Both programs are consistent with the authority to modify HUD regulations conferred by the Move to Work Agreements between HUD and SHA and the annual Move to Work Plans.

This chapter describes PHA policies related to the project-based voucher (PBV) and agency-based voucher programs in ten 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 redetermined 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 X: Agency-Based Voucher Program. This part describes SHA's Agency-Based Voucher Program.

Part I: General Requirements

17-I A. GOALS OF THE PROGRAM

SHA Policy

In Board Resolution 4578 dated September 2000, the SHA Commissioners created SHA's Housing Choice Voucher Project-based policy to achieve three broad goals:

1. To expand the affordable housing stock;
2. To increase the affordability of housing currently not affordable to households below 30 percent of the area's median income; and
3. To preserve the affordability of existing affordable housing for households below 30% of the area's median income.

SHA may enter into contracts for Project-based assistance based on the rules in this chapter.

Replacement of HUD Regulations and Previous Policy Statements
In the event of a discrepancy between 24 CFR 983, Project-based Voucher Program and this chapter, this chapter will take precedence as authorized by the 1999 "Moving to New Ways" agreement between HUD and SHA, and subsequent MTW Plans.

17-I B.TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE

Much of the tenant-based voucher program regulations also apply to the PBV program. Consequently, many of the PHA policies related to tenant-based assistance also apply to PBV assistance.

SHA Policy

Except as otherwise noted in this chapter, the PBV HAP Contract, or SHA's Moving to Work Plan the policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants.

17-I C.PROJECT-BASED UNITS IN SHA-OWNED/MANAGED COMMUNITIES (SLIHP)

SHA Policy

(Resolution No. 4899 dated April 21, 2008 and MTW 15.A.01)

In any SHA-owned and SHA-managed communities with Project-based Housing Choice Vouchers, Low Income Public Housing (LIPH) policies for that community shall apply to the community's Project- based Vouchers. See Admissions and Continued Occupancy Policy (ACOP) for details. This includes, but is not limited to, certifications, inspections, waiting list management, rent calculation, eligibility for transfer between properties, housing quality, and adjustments to the contract rent. This program is called Streamlined Low Income Housing Program (SLIHP).

Grievances shall follow the community's LIPH policies, except grievances related to termination of Project-based Voucher subsidy shall follow the Housing Choice Voucher grievance process.

17-I D. EQUAL OPPORTUNITY REQUIREMENTS

The PHA must comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at 24 CFR 5.105(a). In addition, the PHA will comply with the PHA Plan certification on civil rights and affirmatively furthering fair housing.

17-I E. CAP ON NUMBER OF PROJECT-BASED VOUCHERS

SHA Policy

As defined in MTW Activity 9.H.09, SHA will project-base no more than 35% of its Housing Choice Vouchers. Tenant Protection vouchers that have been project-based will be excluded from the calculation if any of the following are true:

- SHA and HUD have agreed that such vouchers are project-based;

- HUD requires that the vouchers be project-based; or
- The tenant has elected to project-base the voucher in place.

Part II: PBV Owner Proposals

17-II A. OVERVIEW

With certain exceptions, the PHA must describe the procedures for owner submission of PBV proposals and for PHA selection of PBV proposals. Before selecting a PBV proposal, the PHA must determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing and meets the site selection standards. The PHA may not commit PBVs until or unless it has followed the proposal selection requirements [Notice PIH 2011-54].

17-II B.OWNER PROPOSAL SELECTION PROCEDURES

SHA Policy

Project Selection Criteria

- SHA considers the following project selection criteria in evaluating proposals to Project-base Housing Choice Vouchers:
- Housing that serves families with children, consistent with the needs indicated by SHA's public housing and Housing Choice Voucher Program waiting lists and/or other documented needs;
- Housing that serves homeless households;
- Housing that serves households with special needs, including, but not limited to:
  - People with mental and/or developmental disabilities;
  - People with physical and/or sensory disabilities;
  - Domestic violence survivors;
  - Recent immigrants for whom language is a barrier to utilizing the tenant-based program; and
  - Young adults aging out of foster care.
- Housing that reduces concentrations of poverty and/or need by:
  - Being sited in census tracts with a lower-than-average percentage of Housing Choice Voucher Program tenant-based vouchers;
  - Serving very low-income populations within mixed-income developments; or
  - Reducing concentration of poverty/need in existing buildings and developments.
- Housing that provides opportunities to increase the diversity of Seattle's neighborhoods;
- Housing that combines an appropriate level of support services to residents;
- Housing that commits to best efforts to serve extremely low-income households (below 30 percent of the area's median income) for the life of the project;
- Housing that increases access to high-performing public schools;
- Housing that provides opportunities for economic self-sufficiency; and
- Housing that maximizes the use of other funding sources and leverages the use of Housing Choice Voucher Program funds.

SHA will also give consideration to proposals for tenant-owned and tenant-managed projects that lead to tenant ownership.

Eligible Owners of Project-Based Housing

SHA will project-base Housing Choice Voucher Program assistance in projects owned by:

- Seattle Housing Authority;
- Non-profit housing providers;
- For-profit housing providers; and
- Other housing authorities in the Seattle Metropolitan Area.

Project Selection
SHA will make Housing Choice Voucher Project-based funding available to non-profit and for-profit entities through a competitive process, such as the RFP, Sound Families, and other city selection processes described below. SHA may also make funding available to projects in response to a request by, or in collaboration with, local government, philanthropy or other housing authorities.

SHA Request for Proposals (RFP) Process
From time-to-time SHA may issue a formal Request for Proposals (RFP) inviting proposals for projects that seek commitments of project-based vouchers that meet the goals of SHA's project-basing policy. Specific project selection criteria (from list in Section B., above) shall be applied by SHA based on its assessment of current needs and opportunities, and shall be described in the RFP, along with numerical weights indicating the priority of the selection criteria chosen. The RFP process shall include a panel of evaluators representing both SHA staff and members of the community with an interest in low-income housing.

SHA may establish minimum threshold criteria for sponsors participating in the Project-based program (e.g., minimum standards for most recent audit of sponsoring organization), and a minimum score based on numerically weighted criteria. Each RFP response shall be scored according to the weighted selection criteria identified in the initial RFP, and the projects ranked from highest to lowest score until the budget authority allocated for the RFP round is committed.

All projects awarded Project-based HCV subsidy must be developed and operated in a manner consistent with HUD regulations or SHA Move to Work policies which specifically modify applicable HUD regulations. Awards of project-based subsidy are subject to approval of the SHA Executive Director. New project-based commitments are subject to the availability of adequate federal funding for SHA's Housing Choice Voucher Program.

Other City-Funded Projects
Consistent with SHA Board Resolution 4633 dated January 22, 2002, and SHA Board Resolution 4708 dated July 21, 2003, SHA shall commit approximately 70 project-based Housing Choice Vouchers per year to city-funded units selected through the City of Seattle Office of Housing's regular competitive process, for a total commitment of up to 500 Housing Choice Vouchers to city-funded projects over the seven-year period from 2003 to 2009. The properties may be new units financed by the 2002 City of Seattle Housing Levy, or other properties financed by city of Seattle housing resources that require operating subsidy to ensure their preservation.

Consistent with SHA Board Resolution 4899, SHA renewed its commitment to the City of Seattle with the 2009 City of Seattle Housing Levy. SHA shall commit approximately 70 project-based Housing Choice Vouchers per year to city-funded units selected through the City of Seattle Office of Housing's regular competitive process, for a total commitment of up to 500 Housing Choice Vouchers to city- funded projects over the seven-year period from 2010 to 2016. The properties may be new units financed by the 2009 City of Seattle Housing Levy, or other properties financed by City of Seattle housing resources that require operating subsidy to ensure their preservation.

Consistent with SHA Board Resolution 5097 renewed its commitment to the City of Seattle with the 2016 City of Seattle Housing Levy. SHA shall commit approximately 300 project-based Housing Choice Vouchers to city-funded units selected through the City of Seattle Office of Housing's regular competitive process. The properties may be new units financed by the 2016 City of Seattle Housing Levy, or other properties financed by City of Seattle housing resources that require operating subsidy to ensure their preservation.

Project-based vouchers allocated for city-funded projects will be used for units serving households with incomes at or below 30 percent of area median, with priority for projects that

provide supportive services to residents who need assistance to maintain a stable residence and satisfactory quality of life. Current residents of buildings identified for Project-based assistance may have incomes up to 50 percent of median income.

Project-Based Units in SHA-Owned Properties
[Move to Work Agreement dated January 13, 1999, page 10]

SHA is authorized to project-base Housing Choice Vouchers at otherwise non-subsidized units owned by SHA that meet NSPIRE standards. “Non-subsidized” refers to the absence of other operating subsidy (i.e., public housing ACC funds), not capital subsidy or subsidy for supportive services.

HOPE VI Replacement Housing
Properties with project-based units that serve as replacement housing for demolished public housing units associated with SHA’s HOPE VI redevelopment efforts shall be solicited or selected according to the HOPE VI plan and any restrictions by the City of Seattle City Council relating to those developments.

Project-based replacement units are not included in the portion of the Housing Choice Voucher Program allocated to SHA’s Project-Based Program identified in Chapter 3 of this Administrative Plan.

Notice of Project-based Voucher Awards
SHA will provide written notice of an owner’s selection for a Project-based Voucher award within 10 business days of making the selection. SHA will also post the notice of owner selection on its website.

When a selection is made through a joint funding process, such as the City of Seattle Office of Housing’s regular competitive process, notice shall follow any guidelines of the joint funding process.

Non-Competitive Awards to Existing Contracts
At its discretion and for such purposes as SHA may reasonably determine from time to time, SHA may, without competitive selection but with owner consent, amend existing HAP Contracts to add units

17-II C. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS

Eligible Housing Types

SHA Policy

Per MTW 9.H.05, SHA may attach or pay PBV assistance to participants living in shared housing or transitional housing (MTW 9.H.05).

Ineligible Housing Types
The PHA may not attach or pay PBV assistance to 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; and manufactured homes. 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; **provided, however**, that with

respect to development activity, the PHA may decide not to use an Agreement or may choose to execute an Agreement after construction or rehabilitation that complied with applicable requirements of 24 CFR § 983.153 has commenced, where, in its Administrative Plan, the PHA explains the circumstances (if any) under which the PHA will enter a PBV HAP contract for newly constructed or rehabilitated housing without first entering into an Agreement and under which the PHA will enter into an Agreement after construction or rehabilitation that complied with applicable requirements of 24 CFR § 983.153 has commenced, subject to the conditions of 24 CFR § 983.154(f), or 24 CFR § 983.154(g) when the subsection is effective.

SHA Policy

SHA may use its discretion to conduct development activities prior to the execution of an AHAP and subsequently enter a PBV HAP for the newly constructed or rehabilitated housing where (1) SHA determines such development activities are in the best interests of SHA and the housing project, and (2) SHA complies with the requirements of 24 CFR § 983.154(f), or 24 CFR § 983.154(g) when the subsection is effective.

Subsidized Housing

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 by HUD or the PHA in accordance with HUD requirements.

17-II D.SUBSIDY LAYERING REQUIREMENTS

The PHA may provide PBV assistance only in accordance with HUD subsidy layering regulations 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.

SHA Policy

SHA's approved HCA is the Washington State Housing Finance Commission (WSHFC).

17-II E. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT

SHA Policy

MTW Activity 9.H.10 allows SHA to waive all the cap on the number of PBV units in a project.

17-II F.SITE SELECTION STANDARDS

Compliance with PBV Goals, Civil Rights Requirements, and NSPIRE Site Standards

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 NSPIRE site and neighborhood standards at 24 CFR 5.703.

SHA Policy

It is SHA's goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal SHA will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.

However, SHA will grant exceptions to the 20 percent standard where SHA 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
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 and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

New Construction Site and Neighborhood Standards
In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD required site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- The site must have adequate utilities and streets available to service the site;
- The site must not be located in an area of minority concentration unless the 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 G. ENVIRONMENTAL REVIEW

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

The housing quality standards (NSPIRE) for the tenant-based program, including those for special housing types, generally apply to the PBV program.

SHA Policy

All other procedures and requirements relating to HQS described in Chapter 12 of this Administrative Plan apply to the project-based program.

Lead-based Paint

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-HAP Contract Inspections

SHA Policy

All housing units, and the buildings in which they are located, that receive project-based operating subsidy must meet HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) or other HUD approved inspection. SHA shall conduct an initial inspection for NSPIRE prior to the commencement of subsidy for a newly contracted project and (for substituted units in an existing contract) a newly contracted unit within an operating property.

SHA requires that owners certify that a unit meets NSPIRE standards as of the date of initial occupancy by a new tenant but shall not conduct an inspection upon unit turnover.

Turnover Inspections
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 NSPIRE standards, unless the PHA has adopted a policy to enter into a HAP contract for units that fail the initial NSPIRE inspection as a result of only non-life-threatening conditions or if the unit passed an alternative inspection.

SHA Policy

Building owners may conduct turnover inspections in their units (MTW 9.H.08).

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 NSPIRE standards. Turnover inspections are not counted toward meeting this inspection requirement. The PHA also has the option in certain mixed finance properties to rely on alternative inspections conducted at least triennially.

SHA Policy

SHA shall conduct annual inspections of all buildings at least once every 24 months, prior to the 2-year anniversary of the previous full inspection.

Other Inspections
The PHA must inspect contract units whenever needed to determine that the contract units comply with NSPIRE standards 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.

Inspecting PHA-Owned Units

SHA Policy

In the case of PHA-owned units, SHA may conduct its own inspections (MTW 3.A.03).

Inspections of PHA-owned and managed PBV units are subject to inspections policies in SHA's ACOP for UPCS and HCV Quality Control Inspections.

Part IV: Rehabilitated and Newly Constructed Units

17-IV A. OVERVIEW

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 PHA may not enter into an Agreement if commencement of construction or rehabilitation has commenced after proposal submission. 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 NSPIRE standards, 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.

Content of the Agreement
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 paid by the owner and utility services to be paid by the tenant;
- An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the Agreement. If applicable, any required work item resulting from these requirements 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, the description 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 NSPIRE standards.

Execution of the Agreement
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.

SHA Policy

SHA 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
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
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
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
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 NSPIRE standards 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 the PHA's discretion, the Agreement may specify additional documentation that must be submitted by the owner as evidence of housing completion.

> **SHA Policy**
> SHA 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. SHA will specify any additional documentation requirements in the Agreement to enter into HAP contract.

PHA Acceptance of Completed Units
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 NSPIRE standards and any additional requirements imposed under the Agreement. The PHA 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, the PHA 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.

17-V B. HAP CONTRACT REQUIREMENTS

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 of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- The HAP contract term;
- The number of units in any project that will exceed the 25 percent per project cap, which will be 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

SHA Policy

SHA may not enter into a HAP contract until all contract requirements have been satisfied including, but not limited to completion of a subsidy layering review by HUD or the Washington State Housing Finance Commission, completion of an environmental review by the appropriate responsible entity, and determination that each contract unit complies with the National Standards for the Physical Inspection of Real Estate (NSPIRE). SHA will state all required elements as part of the award notification process.

Term of HAP Contract

SHA Policy

The contract term shall be negotiated for each project-based on the project's needs, within the general framework of 5 to 40 years (MTW 9.H.04). SHA will maintain a standard initial contract term of 15 years. All contracts are subject to availability of adequate funds.

When determining whether or not to extend an expiring PBV contract, SHA 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.

Statutory Notice Requirements: Contract Termination or Expiration

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. The PHA must provide the family with a voucher and the family must also be given the option by the PHA 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 the PHA 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

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 NSPIRE standards. If the PHA determines that a contract does not comply with NSPIRE standards, 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.

SHA Policy

SHA will abate and terminate PBV HAP contracts for non-compliance with NSPIRE standards 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

At the PHA's discretion and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit for a previously covered contract unit. Before any such substitution can take place, the unit must pass NSPIRE inspection. The PHA will consider comparability to the replaced unit as well as any other factors it deems necessary before approving a unit substitution.

Addition of Contract Units

SHA Policy

At SHA's discretion, SHA and a project-based 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 in section D of this Chapter. SHA must document its rationale for adding units to a specific PBV project.

17-V D.HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES

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

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 and contract units in accordance with NSPIRE standards;
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and the leases;
- Each contract unit for which the owner is receiving HAP, is leased to an eligible family referred by the 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 the owner is receiving HAP, and the unit is the family's only residence;
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
- The amount of the HAP the owner is receiving is correct under the HAP contract;
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit;
- 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 HAP execution 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

The owner is required to maintain and operate the contract units and premises in accordance with NSPIRE standards, 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.

The PHA 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.

SHA Policy

SHA will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. SHA 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

SHA Policy

If an assisted family vacates the contract unit, upon written request from the owner, SHA agrees to continue Housing Assistance Payments at 80 percent of the Contracted unit rent beginning the day after the family vacated the unit until the earlier of the day the unit is re-rented or the last day of the month following the month the family vacated the unit.

17-V G. CONTRACT LANGUAGE TAKES PRECEDENCE

SHA Policy

In the event of a discrepancy between the language of this Administrative Plan and the language of a HAP Contract in effect for an assisted property, the HAP Contract language will take precedence.

Part VI: Selection Of PBV Program Participants

17-VI A. OVERVIEW

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] 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

Applicants for Project-based assistance must meet the same eligibility requirements as applicants for HCV tenant-based assistance outlined in Chapter 2 of this Administrative Plan, unless otherwise stated below.

17-VI C. ORGANIZATION OF THE WAITING LIST

SHA Policy

SHA allows partners to maintain waiting lists for project-based units and to use their own eligibility and suitability criteria (MTW 9.H.20).

Non-SHA-Owned Project-Based Units
(Sound Families, City-Funded Units, RFP Units, HOPE VI Replacement Housing Partnership Units)

Consistent with Board Resolution 4680 establishing SHA's policy on local preferences, non-profit and for-profit owners who receive Housing Choice Voucher project-based subsidy from SHA may establish their own waiting lists for project-based units subject to requirements specified in the Housing Assistance Payment (HAP) Contract. See Exhibit 17-1 for list of site-based Waitlist Preferences.

SHA-Owned Units
SHA may maintain site-specific waiting lists for project-based units owned and managed by SHA or may offer units to eligible families on a first-come, first served basis as units become available, without maintaining a waiting list.

SHA will establish the marketing and waiting list procedure for each Project-based property in a written management plan which covers the property.

17-VI D. SELECTION FROM THE WAITING LIST

Applicants who will occupy units with PBV assistance must be selected from a waiting list. Owners may establish selection criteria or preferences for occupancy of particular PBV units.

SHA Policy

Consistent with Board Resolution 4680 establishing SHA's policy on local preferences, SHA maintains a preference for households selected by non-profit owners/managers of units supported by SHA funded Housing Choice Voucher project-based subsidies.

17-VI E. OFFER OF PBV ASSISTANCE

Refusal of Offer

The PHA is 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;
- Remove the applicant from the tenant-based voucher waiting list.

Disapproval by Landlord

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

Family Briefing

SHA Policy

When a family accepts an offer for PBV assistance, the Owner/Manager of the offered unit 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 SHA must provide a briefing packet that explains how the SHA 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.

Leasing

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected from the 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

SHA Policy

The owner must promptly act to fill any vacancy or expected vacancy in a contract unit from its waiting list. Households selected from the waitlist must be submitted to SHA for eligibility

determination at the time they are selected. The owner must make reasonable efforts to minimize the likelihood and length of any vacancy.

Reduction in HAP Contract Units Due to Vacancies
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.

SHA Policy

If any contract units have been vacant for 120 days, the SHA may give notice to the owner that the HAP contract will be amended to reduce the number of contract units that have been vacant for this period. SHA 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 SHA's notice.

17-VI G. TENANT SCREENING

SHA Policy

SHA and Owners will conduct screening to determining a PBV applicant family's suitability for tenancy in the following manner (MTW 9.H.20).

Eviction History
SHA shall not deny admission to Project-based units to applicants based on previous evictions, provided the household meets the requirements for eligibility for federal assistance (24 CFR 982.553, further described in Chapter 2, Section F, "HUD-mandated denials").

Criminal History
Owners may screen and select tenants using their own standards for criminal history subject to all applicable state and local laws. SHA shall review applicant criminal history to ensure that applicants are eligible for subsidy under federal regulations, by applying the HUD-mandated required denials for criminal history outlined in Chapter 2, Section F. of this Administrative Plan.

Consistent with the provisions in the regulations for "evidence of rehabilitation," and in order to accommodate individuals with disabilities, SHA may give the property owner flexibility to accept residents for subsidized units who have a disability and a related criminal history which could otherwise disqualify them for assistance. Tenant screening flexibility will particularly be given to project sponsors with demonstrated expertise in serving people with mental illness and/or chemical addictions, and the capacity to provide the needed services. Tenant screening flexibility does not extend to applicants who are sex offenders subject to a life-time registration requirement, for the duration of that requirement.

Owners must submit their tenant screening and supportive services plan to SHA to qualify for additional screening flexibility and may be required to document for an applicant the reasons why the owner feels the applicant is likely to live successfully in the Project-based unit without serious re-offense, despite serious criminal history.

Owners may allow admission to convicted sex offenders who have Class B and Class C felonies on their record, subject to time-limited registration requirements, who do not, according to the owner of the subsidized units, constitute a threat to other residents, the surrounding community, or to the public at large (Board Resolution 4771, 3/21/05).

Other Criteria for Admission
For an applicant who has been previously assisted under the program and was terminated for violating a family obligation in the last five years, SHA will allow admission to the Project-based

program when the applicant has support services which will increase the likelihood of successful program participation. This does not apply to program violations where fraud or deception relating to income or household circumstances was a factor in the termination of assistance.

Debt Owed to SHA or another Housing Authority
Applicants for Project-based units who owe SHA money must repay the amounts owed before their application will be approved. However, SHA will consider, on a case-by-case basis, entering into a repayment agreement for amounts owed to SHA. SHA will only enter into a repayment agreement when the applicant has sufficient income to make the payments under the agreement. Applicants who owe money to another PHA must repay the amount owed or provide evidence of a current repayment agreement before their application will be approved.

17-VI H. RELEASE OF HEALTH-RELATED INFORMATION

SHA Policy

SHA shall not release any health-related information for an assisted resident to a property owner without a specific release from the resident.

Part VII: Occupancy

17-VII A. OVERVIEW

After an applicant has been selected from the waiting list, determined eligible by the PHA, and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

17-VII B. LEASE

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
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 SHA-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by SHA.

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.

SHA Policy

SHA may review the owner's lease form to determine if the lease complies with state and local law. If SHA determines that the lease does not comply with state or local law, SHA may decline to approve the tenancy.

Lease Requirements
The lease for a PBV unit must specify all of the following information:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;
- A specification of the services, maintenance, equipment, and utilities that will be provide by the owner; and
- The amount of any charges for food, furniture, or supportive services.

Tenancy Addendum
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 SHA-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

Initial Term and Lease Renewal
The initial lease term must be for at least one year.

> **SHA Policy**
> Owners may only establish lease terms of less than one year for the residents of project-based units if it is consistent with the general practice of the owner's housing program and the particular goals of the project-based property. SHA shall not approve leases of more than 12 months, as these may not be enforceable under state law.

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
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 the PHA 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. The PHA must redetermine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

Owner Termination of Tenancy
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
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

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.

SHA 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 SHA of the change and request an interim reexamination.

Security Deposits

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.

SHA Policy

SHA 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

Housing Assistance Payments

SHA Policy

When a family moves out of a project-based unit, SHA 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 a project-based unit to another project-based unit, the term of the lease for the new project-based unit may begin during the month the family moves out of the first project-based 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.

Mid-month moves that result in overlapping contracts for the same participant are not considered a duplicative subsidy. Contracts do not need to be prorated for mid-month moves.

Unit Transfers

SHA Policy

Under HCV regulations a transfer from one unit to another is subject to all the requirements and processes of an initial lease-up. The tenant must have a new lease for a new unit.

Owners may allow residents of Project-based units to transfer from one unit to another in the same building or to another unit in a different building provided it is the same building owner.

Such transfers are, subject to SHA re-determination of eligibility and tenant rent. If the transfer is to another unit with the same property owner, redetermination of eligibility may not be required.

Under-Occupied Units

SHA Policy

If occupancy of a project-based unit drops below the minimum occupancy standard (e.g., drops to a one-person family in a two-bedroom unit) for longer than 90 days, SHA may reduce the Housing Assistance Payment for the unit to the amount appropriate for the size of the assisted family occupying the unit. The owner may require the family to pay the difference if the minimum occupancy requirement is spelled out in the family's lease.

Overcrowded Units

SHA Policy

Families occupying a project-based unit who exceed the maximum occupancy standard for the assisted unit, as outlined above, may qualify for a special issuance voucher if:

- The owner submits a written request to the HCV Deputy Director for a special issuance voucher for the family;
- The owner certifies that the owner has no units of an appropriate size for the family, and is not likely to have an appropriate size unit available within six months of the date of the request;
- The family meets all the requirements for a tenant-based voucher outlined in Chapter 2 of this Administrative Plan; and
- SHA has an available voucher to offer the family.

Accessible Units

SHA Policy

If a family occupies a project-based unit with accessibility features that the family does not require, and the unit is needed by a family on the project's waitlist that requires the accessibility features, the owner must promptly notify the family of this determination and offer continued assistance in another housing unit (in the same or other project) so that the family requiring the accessibility features has access to the appropriate unit.

Exit Vouchers

SHA Policy

SHA shall not provide vouchers to families who move out of Project-based units (MTW 9.H.03).

Exceptions:

- original residents of buildings when the owner executes a contract for project-based assistance
- over-crowded units (see above)
- Certain emergency transfers for victims of domestic violence, dating violence, sexual assault, or stalking as described in Chapter 16 and below.

A family assisted with a tenant-based voucher living in a unit identified for project-based assistance must surrender their tenant-based voucher when the owner executes a contract to project-base a voucher for their unit. The family will be offered a tenant-based voucher at the point they move out of the project-based building, if they are still eligible for the Housing Choice Voucher Program. This provision applies only to residents of a building who are assisted by a voucher at the time a contract is first executed for project-based assistance including their unit.

Families assisted by vouchers who choose to move into a project-based property must surrender their tenant-based voucher at the time they move in, and the voucher will not be restored to them when they move out.

Family Right to Move
The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to the PHA.

Emergency Transfers [Notice PIH 2017-08]

SHA Policy

SHA will follow procedures under Part IX of this Administrative Plan regarding emergency transfers for Project-based program participants.

If there are not vacant or suitable units available within the same project-based project, SHA may consider administrative remedies, including:

- SHA will seek assistance from its PBV partners to secure a safer unit for a participant experiencing domestic violence who requests for an emergency unit transfer.
- Transfer to Project-based assistance in another development owned or subsidized by SHA
- Issuing a tenant based voucher

Consideration of these remedies will be subject to completion of the SHA Project-Based Emergency Transfer Form and accompanying verification, funding availability, and eligibility for subsidy programs.

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.

17-VIII B. INITIAL CONTRACT RENT

SHA Policy

The initial contract rent will be set at the applicable maximum gross rent from Section 17-VIII.D.

17-VIII C. MINIMUM RENT

SHA Policy

The Minimum Rent policy described in Chapter 6 Part III of this Plan shall apply to residents of units assisted by Project-based vouchers, with the following exceptions:

- Residents of assisted living facilities subsidized by Medicaid are exempt from the minimum rent policy
- Residents of buildings that provide highly supportive housing and services to the chronically homeless and/or disabled individuals are exempt from the minimum rent policy unless the building owner elects to impose the minimum rent policy on its own residents, in which case the building owner may impose a minimum rent of up to $50 toward rent and utilities.

17-VIII D. RENT LIMITS

SHA Policy

Minimum and Maximum Occupancy Requirements for Project-Based Properties
SHA shall make payments to owners based on assumed minimum occupancy for project-based units outlined below.

These minimum occupancy standards are specific to the SHA Project-Based Program and do not apply to SHA's tenant-based program

Voucher Size	Persons in Household	
	Minimum	*Maximum*
0 Bedroom	1	2
1 Bedroom	1	4
2 Bedrooms	2	6
3 Bedrooms	3	8
4 Bedrooms	4	10
5 Bedrooms	6	12
6 Bedrooms	8	14

HOPE VI Replacement Units and Other Project-Based Units Owned by SHA
The maximum gross rent (rent plus utilities) for the Housing Choice Voucher Program Project-based subsidy in SHA-owned housing will be based on an analysis of the development and operating costs of the project.

The payment standard for SHA-owned units shall not exceed market rent for comparable unassisted units, unless a higher contract rent is approved by the Board.

Non-SHA-Owned Units
(Sound Families Units, City-Funded Units, RFP Units, HOPE VI Replacement Housing Partnership Units, etc.)

- Units with no SHA-provided capital subsidy (i.e., long term lease on land, below market financing, other capital subsidy)

  The maximum gross rent (rent plus utilities) for project-based units owned by non-profit and for-profit housing providers, when SHA has provided no capital subsidy, shall be the lower of:

  - The Owner's request
  - The current applicable payment standard applied to the same size units in the SHA tenant-based Housing Choice Voucher Program
  - The market rent for comparable unassisted units as determined by SHA
- Units which have also received capital subsidy from SHA.

  The maximum gross rent (rent plus utilities) for project-based units owned by non-profit and for-profit housing providers, when SHA has provided a capital subsidy, shall be the lower of:

  - The Owner's request
  - The current applicable payment standard applied to the same size units in the SHA tenant-based Housing Choice Voucher Program
  - The market rent for comparable unassisted units as determined by SHA

  - 30 percent of the target income level for the proposed units expressed as a percentage of area median income for the appropriate household size based on tax credit occupancy standards
- Exception rent for large family housing in low poverty areas.

  The maximum gross rent (rent plus utilities) for large family units (3 or more bedrooms) shall be the lower of:

  - The Owner's request
  - 120 percent of the current payment standard applied to the same size units in the SHA tenant- based Housing Choice Voucher Program
  - The market rent for comparable unassisted units as determined by SHA

Reasonable Rent
The rent to owner for each contract unit may at no time exceed the reasonable rent, except in cases where SHA 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
- If a decrease in rent to owner is required based on changes in the allocation of the responsibility for utilities between owner and tenant

Payment Standard for SRO Units
The payment standard used for Project-based SRO (Single Room Occupancy) units shall be the payment standard for studio (0-bedroom) units. SRO units are defined by city of Seattle building code.

Housing Constructed as a single-family house shall use the payment standard for the appropriate size single family house under the leased shared housing formula described below.

Leased Shared Housing
The payment standard for an assisted family in a project-based single-family house with a potential occupancy by more than one family shall be the lower of a pro-rated share of the payment standard for the single family house based on the number of bedrooms occupied by the family, or the payment standard the family would have if they lived in a unit by themselves.

Utility Estimates
In general, SHA shall use the same utility estimate in the Project-based Program as it uses for tenant- based assistance. When utility estimate schedule is updated, SHA will update the Description of Contract Units; adjusting the rent to owner if necessary to ensure that the gross rent under contract does not exceed the applicable Voucher Payment Standard. SHA will implement the new rate as an interim review on the effective date of the utility estimate change. (Please see 17-VIII F. Redetermination of Rent for additional information).

An owner with energy efficient units may submit a written request to the Director of Rental Assistance Programs that a project-specific utility estimate be substituted for the published utility estimate, based on a written estimate from Seattle City Light, Seattle Public Utilities, or other authoritative source of the likely consumption of utilities for that building based on specific energy efficient features of the building.

Impact of lowered payment standards in tenant-based program on contract rent for project-based units
Owners of operating properties with Project-based assistance shall continue to have the most recent payment standard in effect for their contract units before SHA lowers the payment standards in the tenant-based program.

17-VIII E. REASONABLE RENT

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 PHA, except where the PHA 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

SHA Policy

SHA does not complete reasonable rent determinations for units subject to the Affordable Voucher Payment Standard (MTW 10.H.09).

SHA will redetermine the reasonable rent for a unit not subject to the Affordable Voucher Payment Standard but receiving PBV assistance whenever any of the following occur:

- A rent increase is requested
- A unit substitution is requested

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.

SHA Policy

Reasonable Rent Determinations for PBV units follow the same procedures as those outlined in Chapter 8 Part III.

17-VIII F. REDETERMINATION OF RENT

SHA Policy

Non SHA-Owned Units
Annually upon the contract anniversary, unit rents shall be adjusted by the operating cost adjustment factor (OCAF) established by HUD for the Multifamily Housing programs; provided that, application of the operating adjustment factor shall not result in a negative adjustment.

Project-based contracts with Permanent Supportive Housing (PSH) units may also receive a supplemental increase as determined in the sole discretion of SHA in addition to the HUD published OCAF, but in no event shall the combination of the OCAF and the supplement exceed 5%.

SHA-Owned Units
Annually upon the contract anniversary, unit rents shall be adjusted by the operating cost adjustment factor (OCAF) established by HUD for the Multifamily Housing programs; provided that, application of the operating adjustment factor shall not result in a negative adjustment.

SHA property management staff may request in writing annual rent adjustments based on increased operating costs, provided that the proposed increased rent does not exceed the current market value.

If the requested rent exceeds the current Voucher Payment Standard, the request shall include: a statement of actual operating costs for the 12-month period preceding the date of the request and an operating budget for the 12-month period following the effective date of the rent increase.

Prior to granting an increase in rent, the SHA Asset Management Department shall review the proposed operating budget for overall reasonableness, and the HCV department shall make a determination of rent reasonableness based on the market value of comparable unassisted units.

Notice of Rent Change
The rent to owner is redetermined by written notice by the PHA to the owner specifying the amount of the redetermined 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.

SHA Policy

SHA will provide the owner with at least 30 days written notice of any change in the amount of rent to owner.

Part IX: Payments to Owner

17-IX A. HOUSING ASSISTANCE PAYMENTS

During the term of the HAP contract, the PHA 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 the PHA agree on a later date.

Except for discretionary vacancy payments, the PHA 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 the PHA 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. USES OF SUBSIDY

SHA Policy

SHA-Owned Units
Project-based Housing Choice Voucher subsidy may be used to pay:

- Normal operating expenses of the property;
- Project debt-service incurred for acquisition, development, and capital improvements of the property; and
- All other reasonable costs associated with the operation of the property, including the costs of support services necessary to assist individuals who cannot sustain stable housing without such services.

Non-SHA-Owned Project-Based Units
(Sound Families Units, City-Funded Units, RFP Units)

The purpose of SHA housing subsidy is to fund operating and maintenance expenses. However, an owner may use the revenue provided by the project-based Housing Choice Vouchers for any purpose consistent with its organizational mission.

17-IX C. VACANCY PAYMENTS

SHA Policy

If an assisted family vacates the contract unit, upon written request from the owner, SHA agrees to continue Housing Assistance Payments at 80 percent of the Contracted unit rent beginning the day after the family vacated the unit until the earlier of the day the unit is re-rented or the last day of the month following the month the family vacated the unit, if:

- The owner gives SHA prompt notice of the vacancy;
- The vacancy is not the fault of the owner; and
- The owner has taken every reasonable action to minimize the likelihood and length of the vacancy.

When a family moves out mid-month, the housing provider has the option of keeping the HAP for the remainder of that month. However, SHA will not pay both vacancy payment and HAP for any given day. Vacancy payment may be made for the following month even if the remaining month of HAP was kept for the month prior.

Note: When a family vacates the unit on the last day of a month, the full vacancy claim period is up to one full month, not two months.

Deadline for Requesting Reimbursement for Vacancy Loss
Vacancy Payment requests must be submitted on the form provided by SHA no later than the last day of the calendar quarter following the quarter in which the vacancy occurred.

17-IX D. TENANT RENT TO OWNER

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the PHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the PHA 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.

Treatment of Medicaid

SHA Policy

SHA shall treat as exempt any income for residents who are living in project-based units at assisted living properties where Medicaid payments are made on their behalf through the COPES system (i.e., Park Place/Retirement Housing Foundation, Heritage House, and Legacy House).

For these properties, Medicaid payments made on behalf of residents of such units will be viewed by SHA as medical payment deductions, and residents shall be considered to have zero income (9.H.21).

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, the PHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The PHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The PHA 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, the PHA 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.

The PHA may pay the utility reimbursement directly to the family or to the utility supplier on behalf of the family. If the PHA chooses to pay the utility supplier directly, the PHA must notify the family of the amount paid to the utility supplier.

SHA Policy

SHA will make utility reimbursements to the family.

17-IX E. OTHER FEES AND CHARGES

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.

No Damage Claims

SHA Policy

SHA will not make payments to the owner for any damages to the unit, or for any other amounts owed by a family under the family's lease.

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.

17-IX F.PROTECTION OF REVENUE IN THE EVENT OF REDUCTION IN FEDERAL FUNDS

SHA Policy

[Board Resolution 4708 dated July 21, 2003]

SHA shall follow these priorities in responding to federal cuts in SHA's HCV budget authority:

1. Current participants in the tenant-based voucher program, including funds needed to increase payment standards appropriately to keep pace with market rents;
2. Project-based units under contract with SHA or which have written commitments from SHA to provide project-based assistance, as of the date that SHA notifies the City of Seattle's Office of Housing of anticipated funding shortfalls in the HCV program; and
3. All other new units.

In the event that SHA anticipates or is informed of federal appropriations reductions in Housing Choice Vouchers that would affect SHA's allocation, SHA will seek to convene a meeting with the

Seattle Office of Housing and affordable housing stakeholders to inform them of potential consequences and to receive input on any additional strategies to adapt to a reduced appropriation level.

17-IX G. RECONCILIATIONS

SHA Policy

Reconciliation requests from owners must be made in writing within 12 months of the payment and must contain all of the following:

- The specific time period of the discrepancy;
- The participant's name or unit number; and
- An explanation of how the total was determined.

SHA will respond to complete reconciliation requests within 30 days of receipt.

Part X: Agency-Based Voucher Program (MTW 12.H.02)

17-X A. OVERVIEW

[Move To Work Agreement Dated January 13, 1999: Statement of Authorizations, Section VI.A.6.]

SHA Policy

SHA may allocate a portion of its Housing Choice Vouchers to qualified local non-profit organizations and divisions of local government that serve very low-income and homeless families.

17-X B. PERCENTAGE ALLOCATION

SHA Policy

SHA may issue vouchers to eligible families through the Agency-Based Voucher Program in addition to regular Waitlist and Project Based selections.

17-X C. GOALS AND RATIONALE FOR THE AGENCY-BASED VOUCHER PROGRAM

SHA Policy

The Agency-Based Voucher Program has two main goals:

1. To increase the success of disabled individuals, and families with language or cultural barriers, in finding and maintaining housing when using a voucher; and
2. To provide a transition to permanent housing for homeless households living in time-limited emergency and transitional housing.

17-X D. REGULAR REVIEW OF AGENCY-BASED VOUCHER PROGRAM

SHA Policy

SHA shall review its portfolio of available vouchers regularly in determining appropriate allocations of vouchers by program in order to meet its strategic goals, or in response to local need.

SHA shall notify the community if allocations agency-based vouchers will be made available and the allocation method. Notification will be provided by email and/or regular mail notice to the following:

- City of Seattle Department of Human Services;
- City of Seattle Office of Housing;
- King County Department of Community and Human Services;

- Human Services Coalition;
- Housing Development Consortium of King County;
- Distressed Communities Coalition;
- Minority Executive Directors Coalition; and
- King County Coalition for the Homeless.

17-X E. QUALIFIED AGENCIES

SHA Policy

Agencies qualified to participate in the Agency-Based Voucher Program must be either:

- A 501(c)3 nonprofit corporation with a mission to provide housing and/or services to very low-income or homeless families and individuals; or
- A division of city or county government mandated to provide direct service to very low-income or homeless families and individuals.

17-X F. AGENCY SERVICES AGREEMENT

SHA Policy

All participating agencies must execute an Agency Services Agreement with SHA, in which the agency commits to providing specific services to their clients receiving vouchers.

The agency must establish a rational, fair, and auditable selection process for participating clients, related to the goals of the Agency-Based Voucher Program, which does not discriminate against any applicant on the basis of membership in a protected class, and which does not violate any SHA conflict of interest policy. The agency must agree to periodic audits by SHA of its selection process.

In addition, SHA may require the agency to provide any of the following services, as a condition of participation in the Agency-Based Voucher Program:

- Identifying eligible applicants among their clients who meet the criteria for first priority consideration under SHA's admissions preferences policies;
- Assisting the clients in completing their applications and assembling supporting documents;
- Providing third-party verification of income, household size, and other family characteristics;
- Communicating with clients about the status of their applications, should additional information be required;
- Attending SHA briefings with clients (i.e., application workshops, issuance briefings, signature briefings);
- Assisting clients in finding suitable housing within their clients' affordability limits, in the neighborhoods of the client's choice, and negotiating with landlords;
- Assisting clients in sustaining their housing situation after moving in, by providing case management or other services that will address housing-related issues;
- Assisting clients in understanding the family obligations under the Housing Choice Voucher Program; and
- Such services as may be necessary for clients to find and sustain suitable housing within their affordability limits.

17-X G. HOME FROM SCHOOL

Housing serves as a platform for connecting neighborhoods, communities, schools, education partners, and families; and stable, quality schools are a core component of neighborhoods of opportunity. As

housing providers SHA is uniquely situated to serve as a connector across other systems that support students and families.

In September 2016, SHA and SPS launched the Home from School (HfS) program to provide long-term affordable housing options to families experiencing homelessness who would like access to stable housing that allows continuity in their neighborhood school.

Who is eligible for HfS Voucher?

- Families with students who are experiencing homelessness or housing instability as defined by the McKinney-Vento Homeless Assistance Act §McKinney-Vento Homeless Assistance Act of 1987, as amended, Title VII, Subtitle B; 42 U.S.C. 11431-11435
- Priority is given to literally homeless families (e.g., staying in shelters or places not meant for human habitation)
- All other SHA/HCV voucher issuance eligibility factors apply HUD guidelines require that housing authorities establish subsidy standards for the determination of family unit size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding.

17-X H. DOCUMENT ALLOCATIONS OF VOUCHERS

SHA Policy

The Director of Rental Assistance Programs or their designee shall maintain a chronological record of each allocation of agency vouchers, which shall include:

- Copies of announcements of voucher availability;
- Scoring instruments and other written evaluation tools used to determine whether an agency is qualified to participate in the program, which shall specifically include any reasons for rejection;
- A list of agencies awarded vouchers, and the number awarded each agency; and
- Samples of standard correspondence related to the voucher allocation process (e.g., award announcement, contract cover letter).

Exhibit 17-1: PBV Program Site Based Waitlist Preferences

Important Note: Waitlists are maintained directly by Project Based housing providers, and inquiries regarding joining waitlists should be directed to the housing project or provider organization directly.

Project	Housing Provider	Preference Applied
A Place of Our Own	ADWAS	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Bellevue Olive Apartments	BWH	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Rose Street Apartments	BWH	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Arbora Court Apartments	BWH	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Cascade Women's Program	CHA	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Ozanam House	CHS	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Patrick Place	CHS	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Kerner-Scott House	DESC	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Evans House	DESC	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Kenyon Housing	DESC	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
DESC - PACT	DESC	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Aurora House	DESC	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All

Estelle Supportive Housing	DESC	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Morrison Hotel	DESC	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Eastlake Supportive Housing	DESC	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Lyon Building	DESC	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Marion West	LIHI	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
McDermott Place	LIHI	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Martin Court	LIHI	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Ernestine Anderson Place	LIHI	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Emerald City Commons	MHNW	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Muslim Housing Services	MHS	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Plymouth Housing	PHG	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
David Colwell Building	PHG	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Simons Senior Apartments	PHG	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Humphrey House	PHG	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All

Haddon Hall	PHG	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Pat Williams Apartments	PHG	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Sylvia Odom's Place	PHG	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Plymouth on First Hill	PHG	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Plymouth Place	PHG	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
St Charles Apartments	PHG	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Plymouth on Stewart	PHG	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Colwell Building	PHG	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Pacific Hotel	PHG	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Pioneer Human Service-PACT3	PHS	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Women's Residence	YWCA	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Opportunity Place	YWCA	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Brettler Family Place 1	SG	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Brettler Family Place 3	SG	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All

Sand Point Family Housing	SG	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Sand Point Campus Housing	SG	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Longfellow	SHA/VASH	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Wisteria	SHA/VASH	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
South Shore Court	SHA/VASH	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Avalon Place	TR	1. Offers a primary preference for homeless households, in coordination with King County Coordinated Entry for All
Union Building	DESC	1. The Union Building will offer a primary preference for chronically homeless individuals.
Lyon Building (RAD Contract)	DESC	1. The Lyon Building will offer a primary preference for chronically homeless individuals. 2. The Lyon Building will offer an additional preference for households that qualify for disability-specific services, such as those related to HIV/AIDS.

Updated: 9/30/2021

Chapter 18: Emergency Housing Vouchers (EHVs)

Introduction

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARP) (P.L. 117-2). Section 3202 of the ARP appropriated $5 billion for the creation, administration, and renewal of new incremental emergency housing vouchers (EHVs) and other eligible expenses related to COVID-19.

On May 5, 2021, HUD issued Notice PIH 2021-15, which described HUD's process for allocating approximately 70,000 EHVs to eligible PHAs and set forth the operating requirements for PHAs who administer them. Based on criteria outlined in the notice, HUD notified eligible PHAs of the number of EHVs allocated to their agency, and PHAs were able to accept or decline the invitation to participate in the program.

PHAs may not project-base EHVs; EHVs are exclusively tenant-based assistance.

All applicable nondiscrimination and equal opportunity requirements apply to the EHV program, including requirements that the PHA grant reasonable accommodations to persons with disabilities, effectively communicate with persons with disabilities, and ensure meaningful access for persons with limited English proficiency (LEP).

This chapter describes HUD regulations and PHA policies for administering EHVs. The policies outlined in this chapter are organized into seven sections, as follows:

PART I: FUNDING

PART II: PARTNERING AGENCIES

PART III: WAITING LIST MANAGEMENT

PART IV: FAMILY ELIGIBILITY

PART V: HOUSING SEARCH AND LEASING

PART VI: USE OF FUNDS, REPORTING, AND FINANCIAL RECORDS

Except as addressed by this chapter and as required under federal statute and HUD requirements, the general requirements of the HCV program apply to EHVs.

MTW Flexibilities

HUD's Office of Public Housing and Voucher Programs approved the following flexibilities be applied to the administration of Emergency Housing Vouchers (EHVs):

- MTW Activity #2 – Family Self-Sufficiency Program
- MTW Activity #3 – Inspection protocol
- MTW Activity #5 – Local leases
- MTW Activity #10 – Local rent policy
- MTW Activity #12 – Waiting lists, preferences, and admissions
- MTW Activity #18 – Short-term assistance
- MTW Activity #19 – Mobility and portability

These program flexibilities will be applied in accordance with the rules set forth in other chapters of this Administrative Plan.

Part I: Funding

18-I A. FUNDING OVERVIEW

The American Rescue Plan Act of 2021 (ARP) provides administrative fees and funding for the costs of administering emergency housing vouchers (EHVs) and other eligible expenses defined in Notice PIH 2021-15. These fees may only be used for EHV administration and other eligible expenses and must not be used for or applied to other PHA programs or vouchers. The PHA must maintain separate financial records from its regular HCV funding for all EHV funding.

Housing Assistance Payments (HAP) Funding

ARP funding obligated to the PHA as housing assistance payments (HAP) funding may only be used for eligible EHV HAP expenses (i.e., rental assistance payments). EHV HAP funding may not be used for EHV administrative expenses or for the eligible uses under the EHV services fee.

The initial funding term will expire December 31, 2022. HUD will provide renewal funding to the PHA for the EHVs on a calendar year (CY) basis commencing with CY 2023. The renewal funding allocation will be based on the PHA's actual EHV HAP costs in leasing, similar to the renewal process for the regular HCV program. EHV renewal funding is not part of the annual HCV renewal funding formula; EHVs are renewed separately from the regular HCV program. All renewal funding for the duration of the EHV program has been appropriated as part of the ARP funding.

Administrative Fee and Funding

The following four types of fees and funding are allocated as part of the EHV program:

- **Preliminary fees** support immediate start-up costs that the PHA will incur in implementing alternative requirements under EHV, such as outreach and coordination with partnering agencies:
  - $400 per EHV allocated to the PHA, once the consolidated annual contributions contract (CACC) is amended.
  - This fee may be used for any eligible administrative expenses related to EHVs.
  - The fee may also be used to pay for any eligible activities under EHV service fees (18-I. B).
- **Placement fees/expedited issuance reporting fees** will support initial lease-up costs and the added cost and effort required to expedite leasing of EHVs:
  - $100 for each EHV initially leased, if the PHA reports the voucher issuance date in Public Housing Information Center–Next Generation (PIC–NG) system within 14 days of voucher issuance or the date the system becomes available for reporting.
  - Placement fees:
    - $500 for each EHV family placed under a HAP contract effective within four months of the effective date of the ACC funding increment; or
    - $250 for each EHV family placed under a HAP contract effective after four months but less than six months after the effective date of the ACC funding increment.
    - HUD will determine placement fees in the event of multiple EHV allocations and funding increment effective dates.
  - Placement/expedited issuance fees only apply to the initial leasing of the voucher; they are not paid for family moves or to turnover vouchers.
- **Ongoing administrative fees**, which are calculated in the same way as the standard HCV program:
  - PHAs are allocated administrative fees using the full column A administrative fee amount for each EHV under contract as of the first day of each month.
  - Ongoing EHV administrative fees may be subject to proration in future years, based on available EHV funding.

- Services fees, which are a one-time fee to support PHAs' efforts to implement and operate an effective EHV services program in its jurisdiction (18-I. B):
    - The fee is allocated once the PHA's CACC is amended to reflect EHV funding.
    - The amount allocated is $3,500 for each EHV allocated.

18-I B. SERVICE FEES

Services fee funding must be initially used for defined eligible uses and not for other administrative expenses of operating the EHV program. Service fees fall into four categories:

- Housing search assistance
- Security deposit/utility deposit/rental application/holding fee uses
- Owner-related uses
- Other eligible uses such as moving expenses or tenant-readiness services

The PHA must establish the eligible uses and the parameters and requirements for service fees in the PHA's administrative plan.

SHA Policy

The eligible uses for service fees include:

Housing search assistance, which may include activities such as, but not limited to, helping a family identify and visit potentially available units during their housing search, helping to find a unit that meets the household's disability-related needs, providing transportation and directions, assisting with the completion of rental applications and PHA forms, and helping to expedite the EHV leasing process for the family.

Application fees/non-refundable administrative or processing fees/refundable application deposit assistance. SHA may choose to assist the family with some or all these expenses.

Holding fees are fees an owner requests that are rolled into the security deposit after an application is accepted but before a lease is signed. SHA may cover part or all of the holding fee for units where the fee is required by the owner after a tenant's application has been accepted but before the lease signing. SHA and owner must agree how the holding fee gets rolled into the deposit, and under what conditions the fee will be returned. In general, owners need to accept responsibility for making needed repairs to a unit required by the initial housing quality standards (HQS) inspections and can only keep the holding fee if the client is at fault for not entering into a lease.

Security deposit assistance. The amount of the security deposit assistance may not exceed the lesser of two months' rent to owner, the maximum security deposit allowed under applicable state and/or local law, or the actual security deposit required by the owner. SHA may pay the security deposit assistance directly to the owner or may pay the assistance to the family. If paid to the family, SHA will require documentation that the family paid the security deposit.

Utility deposit assistance/utility arrears. SHA may provide utility deposit assistance for some or all of the family's utility deposit expenses. Assistance can be provided for deposits (including connection fees) required for the utilities to be supplied by the tenant under the lease. SHA may pay the utility deposit assistance directly to the utility company or may pay the assistance to the family. If paid to the family, SHA will require documentation the family paid the utility deposit. SHA will require the utility supplier or family to return the utility deposit assistance to SHA at such time the deposit is returned by the utility supplier (less any amounts retained by the utility supplier). In addition, some families may have large balances with gas, electric, water, sewer, or trash companies that will make it difficult if not impossible to establish services for tenant-supplied utilities. SHA may also provide the family with assistance to help address these utility arrears to

facilitate leasing. Utility deposit assistance returned to SHA will be used for either services fee eligible uses or other EHV administrative costs, as required by HUD.

Owner recruitment and outreach for EHVs. SHA may use the service fee funding to conduct owner recruitment and outreach specifically for EHVs. In addition to traditional owner recruitment and outreach, activities may include conducting pre-inspections or otherwise expediting the inspection process, providing enhanced customer service, and offering owner incentive and/or retention payments.

Owner incentive and/or retention payments. SHA may make incentive or retention payments to owners that agree to initially lease their unit to an EHV family and/or renew the lease of an EHV family.

Payments will be made as a single payment at the beginning of the assisted lease term (or lease renewal if a retention payment). Owner incentive and retentions payments are not housing assistance payments, are not part of the rent to owner, and are not taken into consideration when determining whether the rent for the unit is reasonable.

Moving expenses (including move-in fees and deposits). SHA may provide assistance for some or all of the family's reasonable moving expenses when they initially lease a unit with the EHV. SHA will not provide moving expenses assistance for subsequent moves unless the family is required to move for reasons other than something the family did or failed to do (e.g., SHA is terminating the HAP contract because the owner did not fulfill the owner responsibilities under the HAP contract or the owner is refusing to offer the family the opportunity to enter a new lease after the initial lease term, as opposed to the family choosing to terminate the tenancy in order to move to another unit), or a family has to move due to domestic violence, dating violence, sexual assault, or stalking.

Tenant-readiness services. SHA may use fees to help create a customized plan to address or mitigate barriers that individual families may face in renting a unit with an EHV, such as negative credit, lack of credit, negative rental or utility history, or to connect the family to other community resources (including COVID-related resources) that can assist with rental arrears.

Essential household items. SHA may use services fee funding to assist the family with some or all of the costs of acquiring essential household items such as tableware, cooking equipment, beds or bedding, and essential sanitary products such as soap and toiletries.

Renter's insurance if required by the lease. SHA may choose to assist the family with some or all this cost.

Any services fee assistance that is returned to the PHA after its initial or subsequent use may only be applied to the eligible services fee uses defined in Notice PIH 2021-15 (or subsequent notice) or other EHV administrative costs. Any amounts not expended for these eligible uses when the PHA's EHV program ends must be remitted to HUD.

Part II: Partnering Agencies

18-II A. CONTINUUM OF CARE (COC)

PHAs that accept an allocation of EHVs are required to enter into a Memorandum of Understanding (MOU) with the Continuum of Care (CoC) to establish a partnership for the administration of EHVs.

SHA Policy

SHA has entered into an MOU with King Country Regional Homelessness Authority (KCRHA), the regional Continuum of Care. See Exhibit 18-1 for a copy of the MOU.

18-II B. OTHER PARTNERING ORGANIZATIONS

The PHA may, but is not required to, partner with other organizations trusted by persons experiencing homelessness, such as victim services providers (VSPs) and other community partners. If the PHA chooses to partner with such agencies, the PHA must either enter into an MOU with the partnering agency or the partnering agency may be added to the MOU between the PHA and CoC.

SHA Policy

SHA is not partnering with any additional partnering agencies at this time.

18-II C. REFERRALS

The primary responsibility of the CoC under the MOU with the PHA is to make direct referrals of qualifying individuals and families to the PHA. The PHA must generally refer a family that is seeking EHV assistance directly from the PHA to the CoC or other referring agency for initial intake, assessment, and possible referral for EHV assistance. Partner CoCs are responsible for determining whether the family qualifies under one of the four eligibility categories for EHVs. The CoC or other direct referral partner must provide supporting documentation to the PHA of the referring agency's verification that the family meets.

SHA Policy

KCRHA must establish and implement a system to identify EHV-eligible individuals and families within the agency's caseload and make referrals to SHA. KCRHA or other partnering agency must certify that the EHV applicants they refer to SHA meet at least one of the four EHV eligibility criteria. SHA will maintain a copy of the referral or certification from KCRHA or other partnering agency in the participant's file along with other eligibility paperwork. Homeless service providers are required to use the certification form found in Exhibit 18-2 of this chapter unless the Deputy Director approves another form of certification. Victim services providers are required to use the certification form found in Exhibit 18-3 of this chapter when identifying eligible families who qualify as victims of human trafficking unless the Deputy Director approves another form of certification.

As part of the MOU, SHA and KCRHA or other partnering agency will identify staff positions to serve as lead EHV liaisons. These positions will be responsible for transmission and acceptance of referrals. KCRHA or partnering agency must commit sufficient staff and resources to ensure eligible individuals and families are identified and determined eligible in a timely manner.

The SHA liaison responsible for acceptance of referrals will contact KCRHA or partnering agency liaison indicating the number of vouchers available and requesting an appropriate number of referrals. SHA and KCRHA will mutually agree upon a referral schedule and KCRHA will provide referrals on the timeline set forth in that schedule. SHA will notify KCRHA at least two weeks in advance if changes need to be made to the referral schedule. At a minimum, KCRHA or partnering agency liaison will provide SHA with a list of eligible referrals including the name, address, and contact phone number for each adult individual who is being referred; a completed release form for each adult family member; and a written certification for each referral indicating they are EHV-eligible.

Offers of Assistance with CoC Referral

The PHA may make an EHV available without a referral from the CoC or other partnering organization in order to facilitate an emergency transfer under VAWA in accordance with the PHA's Emergency Transfer Plan (ETP) in Chapter 16.

The PHA must also take direct referrals from outside the CoC if:

- The CoC does not have a sufficient number of eligible families to refer to the PHA; or
- The CoC does not identify families that may be eligible for EHV assistance because they are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking.

If at any time the PHA is not receiving enough referrals or is not receiving referrals in a timely manner from the CoC or other partner referral agencies (or the PHA and CoC cannot identify any such alternative referral partner agencies), HUD may permit the PHA on a temporary or permanent basis to take EHV applications directly from applicants and admit eligible families to the EHV program in lieu of or in addition to direct referrals in those circumstances.

Part III: Waiting List Management

18-III A. HCV WAITING LIST

The regulation that requires the PHA to admit applicants as waiting list admissions or special admissions in accordance with admission policies does not apply to PHAs operating the EHV program. Direct referrals are not added to the PHA's HCV waiting list.

The PHA must inform families on the HCV waiting list of the availability of EHVs by, at a minimum, either by posting the information to their website or providing public notice in their respective communities in accordance with the requirements listed in Notice PIH 2021-15.

SHA Policy

SHA will notify families on the HCV waiting list of the availability of EHVs by posting a notice to the SHA website. The notice will:

Describe the eligible populations to which EHVs are limited

Clearly state that the availability of these EHVs is managed through a direct referral process

Advise the family to contact KCRHA (or any other PHA referral partner, if applicable) if the family believes they may be eligible for EHV assistance

SHA will ensure effective communication with persons with disabilities, including those with vision, hearing, and other communication-related disabilities in accordance with the ADA policy. SHA will also take reasonable steps to ensure meaningful access for persons with limited English proficiency (LEP).

18-III B. EHV WAITING LIST

The HCV regulations requiring the PHA to operate a single waiting list for admission to the HCV program do not apply to PHAs operating the EHV program. Instead, when the number of applicants referred by the CoC or partnering agency exceeds the EHVs available, the PHA must maintain a separate waiting list for EHV referrals, both at initial leasing and for any turnover vouchers that may be issued prior to September 30, 2023.

Further, the EHV waiting list is not subject to PHA policies in Chapter 4 regarding opening and closing the HCV waiting list. The PHA will work directly with its CoC and other referral agency partners to manage the number of referrals and the size of the EHV waiting list.

18-III C. PREFERENCES

HCV Waiting List Preferences

If local preferences are established by the PHA for HCV, they do not apply to EHVs. However, if the PHA has a homeless preference or a VAWA preference for the HCV waiting list, the PHA must adopt additional policies related to EHVs in accordance with Notice PIH 2021-15.

SHA Policy

SHA has a homeless preference for the HCV waiting list as outlined in Chapter 4-III.C, Local Preferences.

SHA will refer any applicant on the waiting list that indicates they qualify for the homeless preference to KCRHA. KCRHA will determine whether the family is eligible for an EHV (based on the qualifying definition for EHV assistance for homelessness or another eligible category as applicable). KCRHA will also determine if the family is eligible for other homeless assistance.

SHA does not offer a VAWA preference for the HCV waiting list.

EHV Waiting List Preferences
With the exception of a residency preference, the PHA may choose, in coordination with the CoC and other referral partners, to establish separate local preferences for EHVs. The PHA may, however, choose to not establish any local preferences for the EHV waiting list.

SHA Policy
No local preferences have been established for the EHV waiting list.

Part IV: Family Eligibility

18-IV A. OVERVIEW

The CoC or referring agency determines whether the individual or family meets any one of the four eligibility criteria described in Notice PIH 2021-15 and then refers the family to the PHA. The PHA determines that the family meets other eligibility criteria for the HCV program, as modified for the EHV program and outlined below.

18-IV B. REFERRING AGENCY DETERMINATION OF ELIGIBILITY

In order to be eligible for an EHV, an individual or family must meet one of four eligibility criteria:

- Homeless as defined in 24 CFR 578.3;
- At risk of homelessness as defined in 24 CFR 578.3;
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking (as defined in Notice PIH 2021-15), or human trafficking (as defined in the 22 U.S.C. Section 7102); or
- Recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability as determined by the CoC or its designee in accordance with the definition in Notice PIH 2021-15.

As applicable, the CoC or referring agency must provide documentation to the PHA of the referring agency's verification that the family meets one of the four eligible categories for EHV assistance. The PHA must retain this documentation as part of the family's file.

18-IV C. PHA SCREENING

Overview
HUD waived 24 CFR 982.552 and 982.553 in part for the EHV applicants and established alternative requirement for mandatory and permissive prohibitions of admissions. Except where applicable, PHA policies regarding denials in Chapter 3 of this policy do not apply to screening individuals and families for eligibility for an EHV. Instead, the EHV alternative requirement listed in this section will apply to all EHV applicants.

The mandatory and permissive prohibitions listed in Notice PIH 2021-15 and in this chapter, however, apply only when screening the individual or family for eligibility for an EHV. When adding a family member after the family has been placed under a HAP contract with EHV assistance, the regulations at 24 CFR 982.551(h)(2) apply. Other than the birth, adoption, or court-awarded custody of a child, the PHA must approve additional family members and may apply its regular HCV screening criteria in Chapter 3 in doing so.

Mandatory Denials
Under alternative requirements for the EHV program, mandatory denials for EHV applicants include:

- 24 CFR 982.553(a)(1)(ii)(C), which prohibits admission if any household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.
- 24 CFR 982.553(a)(2)(i), which prohibits admission to the program if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program.

The PHA must deny admission to the program if any member of the family fails to sign and submit consent forms for obtaining information as required by 24 CFR 982.552(b)(3) but should notify the family of the limited EHV grounds for denial of admission first.

SHA Policy

While SHA will deny admission to the program if any adult member (or head of household or spouse, regardless of age) fails to sign and submit consent forms, SHA will first notify the family of the limited EHV grounds for denial of admission as part of the notice of denial that will be mailed to the family.

Permissive Denial
Notice PIH 2021-15 lists permissive prohibitions for which the PHA may, but is not required to, deny admission to EHV families. The notice also lists prohibitions that, while allowable under the HCV program, may not be used to deny assistance for EHV families.

If the PHA intends to establish permissive prohibition policies for EHV applicants, the PHA must first consult with its CoC partner to understand the impact that the proposed prohibitions may have on referrals and must take the CoC's recommendations into consideration.

SHA Policy

In consultation with KCRHA, SHA will apply permissive prohibition to the screening of EHV applicants. Determinations using permissive prohibitions will be made based on an individualized assessment of relevant mitigating information in accordance with policies in Chapter 3-III.E.

In determining whether to deny assistance because of a family member's action or failure to act, SHA may consider all relevant circumstances such as the seriousness of the act or failure, the extent of participation or culpability of family members, mitigating circumstances related to the disability of a family member, and the effects of denial on other family members who were not involved in the action or failure to act.

Some circumstances by which SHA may deny assistance include the following:

- If any member of the family has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program within the previous 12 months.
- If the family engaged in or threatened abusive or violent behavior toward SHA personnel within the previous 12 months.
- SHA will also deny assistance to household members already receiving assistance from another program in accordance with Section 9.h. of Notice PIH 2021-15.

In compliance with PIH 2021-15, SHA will not deny an EHV applicant admission regardless of whether:

- Any member of the family has been evicted from federally assisted housing in the last five years;
- A PHA has ever terminated assistance under the program for any member of the family;

- The family currently owes rent or other amounts to SHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act;
- The family has not reimbursed any PHA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease;
- The family breached an agreement with SHA to pay amounts owed to a PHA, or amounts paid to an owner by a PHA;
- The family would otherwise be prohibited admission under alcohol abuse standards established by SHA in accordance with 24 CFR 982.553(a)(3);
- SHA determines that any household member is currently engaged in or has engaged in during a reasonable time before the admission, drug-related criminal activity.

18-IV D. INCOME VERIFICATON AT ADMISSION

Self-Certification at Admission

The requirement to obtain third-party verification of income in accordance with Notice PIH 2018-18 does not apply to the EHV program applicants at admission, and alternatively, PHAs may consider self-certification the highest form of income verification at admission. As such, PHA policies related to the verification of income in Chapter 7-I. B do not apply to EHV families at admission. Instead, applicants must submit an affidavit attesting to their reported income, assets, expenses, and other factors that would affect an income eligibility determination.

Additionally, applicants may provide third-party documentation that represents the applicant's income within the 60-day period prior to admission or voucher issuance but is not dated within 60 days of the PHA's request.

SHA Policy

Any documents used for verification must be the original (not photocopies) and dated within the 60-day period prior to admission. The documents must not be damaged, altered, or in any way illegible.

Printouts from webpages are considered original documents.

SHA will waive third-party income verification requirements and may instead consider self-certification on par with the highest form of income verification at admission. Applicants must submit an affidavit attesting to reported income, assets, expenses and other factors which would affect an income eligibility determination.

SHA will incorporate additional procedures to remind families of the obligation to provide true and complete information in accordance with Chapter 14. SHA will address any material discrepancies (i.e., unreported income or a substantial difference in reported income) that may arise later. SHA 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, SHA will terminate the family's assistance in accordance with the policies in Chapter 12.

Recently Conducted Income Determinations

PHAs may accept income calculations and verifications from third-party providers or from an examination that the PHA conducted on behalf of the family for another subsidized housing program in lieu of conducting an initial examination of income as long as:

- The income was calculated in accordance with rules outlined at 24 CFR Part 5 and within the last six months; and
- The family certifies there has been no change in income or family composition in the interim.

SHA Policy

SHA will accept income calculations and verifications from third-party providers provided they meet the criteria outlined above.

The family certification must be made in a format acceptable to SHA and must be signed by all adult family members whose information or status is being verified.

At the time of the family's annual reexamination the PHA must conduct the annual reexamination of income as outlined at 24 CFR 982.516 and PHA policies in Chapter 11.

EIV Income Validation
Once HUD makes the EIV data available to PHAs under this waiver and alternative requirement, the PHA must:

- Review the EIV Income and Income Validation Tool (IVT) reports to confirm and validate family-reported income within 90 days of the PIC submission date;
- Print and maintain copies of the EIV Income and IVT Reports in the tenant file; and
- Resolve any income discrepancy with the family within 60 days of the EIV Income or IVT Report dates.

Prior to admission, PHAs must continue to use HUD's EIV system to search for all household members using the Existing Tenant Search in accordance with Notice PIH 2018-18.

If a PHA later determines that an ineligible family received assistance, the PHA must take steps to terminate that family from the program in accordance with Chapter 12.

18-IV E. SOCIAL SECURITY NUMBER AND CITIZENSHIP STATUS VERIFICATION

For the EHV program, the PHA is not required to obtain and verify SSN documentation and documentation evidencing eligible noncitizen status before admitting the family to the EHV program. Instead, PHAs may adopt policies to admit EHV applicants who are unable to provide the required SSN or citizenship documentation during the initial eligibility determination. As an alternative requirement, such individuals must provide the required documentation within 180 days of admission to be eligible for continued assistance, pending verification, unless the PHA provides an extension based on evidence from the family or confirmation from the CoC or other partnering agency that the family has made a good-faith effort to obtain the documentation.

If a PHA determines that an ineligible family received assistance, the PHA must take steps to terminate that family from the program.

SHA Policy

SHA will admit EHV applicants who are unable to provide the required SSN or citizenship documentation during the initial eligibility determination. These individuals must provide the required documentation in accordance with policies in Chapter 7 within 180 days of admission. SHA may provide additional extensions based on evidence from the family or confirmation from the CoC or other partnering agency that the family has made a good-faith effort to obtain the documentation.

If SHA determines that an ineligible family received assistance, SHA will take steps to terminate that family from the program in accordance with policies in Chapter 12.

18-IV F. AGE AND DISABILITY VERIFICATION

PHAs may accept self-certification of date of birth and disability status if a higher level of verification is not immediately available. If self-certification is used, the PHA must obtain a higher level of verification within 90 days of admission or verify the information in EIV.

If a PHA determines that an ineligible family received assistance, the PHA must take steps to terminate that family from the program.

SHA Policy

SHA will accept self-certification of date of birth and disability status if a higher form of verification is not immediately available. The certification must be made in a format acceptable to SHA and must be signed by the family member whose information or status is being verified. If self-certification is accepted, within 90 days of admission, SHA will verify the information in EIV or through other third-party verification if the information is not available in EIV. SHA will note the family's file that self-certification was used as initial verification and include an EIV printout or other third-party verification confirming the applicant's date of birth and/or disability status.

If SHA determines that an ineligible family received assistance, SHA will take steps to terminate that family from the program in accordance with policies in Chapter 12.

18-IV G. INCOME TARGETING

The PHA must determine income eligibility for EHV families in accordance with 24 CFR 982.201 and PHA policy in Chapter 4; however, income targeting requirements do not apply for EHV families. The PHA may still choose to include the admission of extremely low-income EHV families in its income targeting numbers for the fiscal year in which these families are admitted.

SHA Policy

SHA will not include the admission of extremely low-income EHV families in its income targeting numbers for the fiscal year in which these families are admitted.

Part V: Housing Search and Leasing

18-V A. INITIAL VOUCHER TERM

Unlike the standard HCV program, which requires an initial voucher term of at least 60 days, EHV vouchers must have an initial search term of at least 120 days. PHA policies on extensions as outlined in Chapter 5-II. E will apply.

SHA Policy

All EHVs will have an initial term of 120 calendar days.

The family must submit a Request for Tenancy Approval and proposed lease within the 120-day period unless SHA grants an extension.

18-V B. HOUSING SEARCH ASSISTANCE

The PHA must ensure housing search assistance is made available to EHV families during their initial housing search. The housing search assistance may be provided directly by the PHA or through the CoC or another partnering agency or entity.

At a minimum, housing search assistance must:

- Help individual families identify potentially available units during their housing search, including physically accessible units with features for family members with disabilities, as well as units in low-poverty neighborhoods;
- Provide transportation assistance and directions to potential units;
- Conduct owner outreach;
- Assist with the completion of rental applications and PHA forms; and
- Help expedite the EHV leasing process for the family

SHA Policy

As identified in the MOU between SHA and KCRHA, the following housing search assistance will be provided to each EHV family:

SHA will:

- Provide assistance in locating and applying to affordable rental unites
- Provide transportation assistance, including directions and reduced bus fare tickets, to potential units
- Share available rental listings with EHV participants
- Provide unit referrals and landlord introductions through SHA's partnerships with the City of Seattle Office of Housing Multifamily Tax Exemption Program and Housing Connector
- Provide financial assistance (including moving cost assistance and security deposit assistance) to EHV participants to lease with a voucher
- Conduct owner outreach in accordance with policies in Chapter 20
- Expedite the EHV leasing process for the family to the extent practicable and in accordance with policies in this chapter
- At least every 30 days, conduct proactive check-ins via email and telephone with families who are searching with an EHV and remind them of their voucher expiration date

KCRHA will:

- Assess all households referred for EHV for benefits and supportive services available to support eligible individuals and families through their transition
- Assist the family with the completion of rental applications and SHA forms

18-V C. NSPIRE PRE-INSPECTIONS

To expedite the leasing process, PHAs may pre-inspect available units that EHV families may be interested in leasing in order to maintain a pool of eligible units.

SHA Policy

To expedite the leasing process, SHA may pre-inspect available units that EHV families may be interested in leasing to maintain a pool of eligible units. If an EHV family selects a unit that passed a NSPIRE pre-inspection (without intervening occupancy) within 45 days of the date of the Request for Tenancy Approval, the unit may be approved provided that it meets all other conditions under 24 CFR 982.305.

The family will be free to select their unit.

When a pre-inspected unit is not selected, SHA will make every effort to fast-track the inspection process, including adjusting the normal inspection schedule for any required re-inspections.

18-V D. INITIAL LEASE TERM

Unlike in the standard the HCV program, EHV voucher holders may enter into an initial lease that is for less than 12 months, regardless of the PHA policy in Chapter 9-I.E.

18-V E. PORTABILITY

The normal HCV portability procedures and requirements outlined in Chapter 10 generally apply to EHVs. Exceptions are addressed below.

Nonresident Applicants

Under EHV, applicant families may move under portability even if the family did not have legal residency in the jurisdiction of the initial PHA when they applied, regardless of PHA policy in Chapter 10-II.B.

Initial Year of Occupancy
Under EHV, applicant families will be permitted to move out of SHA's jurisdiction upon the initial issuance of their voucher, regardless of the policy in Chapter 10.

Billing and Absorption
A receiving PHA cannot refuse to assist an incoming EHV family, regardless of whether the PHA administers EHVs under its own ACC.

- If the EHV family moves under portability to another PHA that administers EHVs under its own ACC:
  - The receiving PHA may only absorb the incoming EHV family with an EHV (assuming it has an EHV voucher available to do so).
  - If the PHA does not have an EHV available to absorb the family, it must bill the initial PHA. The receiving PHA must allow the family to lease the unit with EHV assistance and may not absorb the family with a regular HCV when the family leases the unit.
  - Regardless of whether the receiving PHA absorbs or bills the initial PHA for the family's EHV assistance, the EHV administration of the voucher is in accordance with the receiving PHA's EHV policies.
- If the EHV family moves under portability to another PHA that does not administer EHV under its own ACC, the receiving PHA may absorb the family into its regular HCV program or may bill the initial PHA.

Family Briefing
In addition to the applicable family briefing requirements at 24 CFR 982.301(a)(2) as to how portability works and how portability may affect the family's assistance, the initial PHA must inform the family how portability may impact the special EHV services and assistance that may be available to the family.

The initial PHA is required to help facilitate the family's portability move to the receiving PHA and inform the family of this requirement in writing, taking reasonable steps to ensure meaningful access for persons with limited English proficiency (LEP).

SHA Policy

In addition to following SHA policy on briefings in Chapter 5, as part of the briefing packet for EHV families, SHA will include a written notice that SHA will assist the family with moves under portability.

For limited English proficient (LEP) applicants, SHA will provide interpretation services in accordance with SHA's LEP plan (See Chapter 2).

Coordination of Services
If the portability move is in connection with the EHV family's initial lease-up, the receiving PHA and the initial PHA must consult and coordinate on the EHV services and assistance that will be made available to the family.

SHA Policy

For EHV families who are exercising portability, when SHA contacts the receiving PHA, SHA will consult and coordinate with the receiving PHA to ensure there is no duplication of EHV services and assistance, and ensure the receiving PHA is aware of the maximum amount of services fee funding that the SHA may provide to the receiving PHA on behalf of the family.

Service Fee
Standard portability billing arrangements apply for HAP and ongoing administrative fees for EHV families.

For service fees funding, the amount of the service fee provided by the initial PHA may not exceed the lesser of the actual cost of the services and assistance provided to the family by the receiving PHA or

$1,750, unless the initial PHA and receiving PHA mutually agree to change the $1,750 cap. Service fees are paid as follows:

- If the receiving PHA, in consultation and coordination with the initial PHA, will provide eligible services or assistance to the incoming EHV family, the receiving PHA may be compensated for those costs by the initial PHA, regardless of whether the receiving PHA bills or absorbs.
- If the receiving PHA administers EHVs, the receiving PHA may use its own services fee and may be reimbursed by the initial PHA, or the initial PHA may provide the services funding upfront to the receiving PHA for those fees and assistance.
- If the receiving PHA does not administer EHVs, the initial PHA must provide the services funding upfront to the receiving PHA. Any amounts provided to the receiving PHA that are not used for services or assistance on behalf of the EHV family must promptly be returned by the receiving PHA to the initial PHA.

Placement Fee/Issuance Reporting Fee
If the portability lease-up qualifies for the placement fee/issuance reporting fee, the receiving PHA receives the full amount of the placement component of the placement fee/issuing reporting fee. The receiving PHA is eligible for the placement fee regardless of whether the receiving PHA bills the initial PHA or absorbs the family into its own program at initial lease-up. The initial PHA qualifies for the issuance reporting component of the placement fee/issuance reporting fee, as applicable.

18-V F. PAYMENT STANDARDS

Payment Standard Schedule
For the EHV program, HUD has waived the regulation requiring a single payment standard for each unit size. Instead, the PHA may, but is not required to, establish separate higher payment standards for EHVs. Lower EHV payment standards are not permitted. If the PHA is increasing the regular HCV payment standard, the PHA must also increase the EHV payment standard if it would be otherwise lower than the new regular HCV payment standard. The separate EHV payment standard must comply with all other HCV requirements with the exception of the alternative requirements discussed below.

Further, if the PHA chooses to establish higher payments standards for EHVs, HUD has provided other regulatory waivers:

- Defining the “basic range” for payment standards as between 90 and 120 percent of the published Fair Market Rent (FMR) for the unit size (rather than 90 to 110 percent).
- Allowing a PHA that is not in a designated Small Area FMR (SAFMR) area or has not opted to voluntarily implement SAFMRs to establish exception payment standards for a ZIP code area above the basic range for the metropolitan FMR based on the HUD published SAFMRs. The PHA may establish an exception payment standard up to 120 percent (as opposed to 110 percent) of the HUD published Small Area FMR for that ZIP code area. The exception payment standard must apply to the entire ZIP code area.
    - The PHA must notify HUD if it establishes an EHV exception payment standard based on the SAFMR.

SHA Policy

SHA will not establish a higher payment standard amount for EHVs. SHA will use the same payment standards for other tenant-based vouchers.

Rent Reasonableness
All rent reasonableness requirements apply to EHV units, regardless of whether the PHA has established an alternative or exception EHV payment standard.

Increases in Payment Standards
The requirement that the PHA apply increased payment standards at the family's first regular recertification on or after the effective date of the increase does not apply to EHV. The PHA may, but is not required to, establish an alternative policy on when to apply the increased payment standard, provided the increased payment standard is used to calculate the HAP no later than the effective date of the family's first regular reexamination following the change.

SHA Policy

SHA will not establish an alternative policy for increases in the payment standard. SHA policy in Chapter 11-III.B governing increases in payment standards will apply to EHV.

18-V G. TERMINATION OF VOUCHERS

After September 30, 2023, a PHA may not reissue EHVs when assistance for an EHV-assisted family ends. This means that when an EHV participant (a family that is receiving rental assistance under a HAP contract) leaves the program for any reason, the PHA may not reissue that EHV to another family unless it does so no later than September 30, 2023.

If an applicant family that was issued the EHV is unsuccessful in finding a unit and the EHV expires after September 30, 2023, the EHV may not be reissued to another family.

All EHVs under lease on or after October 1, 2023, may not under any circumstances be reissued to another family when the participant leaves the program for any reason.

An EHV that has never been issued to a family may be initially issued and leased after September 30, 2023, since this prohibition only applies to EHVs that are being reissued upon turnover after assistance to a family has ended. However, HUD may direct PHAs administering EHVs to cease leasing any unleased EHVs if such action is determined necessary by HUD to ensure there will be sufficient funding available to continue to cover the HAP needs of currently assisted EHV families.

Part VI: Use of Funds, Reporting, and Financial Records

EHV funds allocated to the PHA for HAP (both funding for the initial allocation and HAP renewal funding) may only be used for eligible EHV HAP purposes. EHV HAP funding obligated to the PHA may not be used for EHV administrative expenses or the other EHV eligible expenses under this notice. Likewise, EHV administrative fees and funding obligated to the PHA are to be used for those purposes and must not be used for HAP.

The appropriated funds for EHVs are separate from the regular HCV program and may not be used for the regular HCV program but may only be expended for EHV eligible purposes. EHV HAP funds may not roll into the regular HCV restricted net position (RNP) and must be tracked and accounted for separately as EHV RNP. EHV administrative fees and funding for other eligible expenses permitted by Notice PIH 2021-15 may only be used in support of the EHVs and cannot be used for regular HCVs. EHV funding may not be used for the repayment of debts or any amounts owed to HUD by HUD program participants including, but not limited to, those resulting from Office of Inspector General (OIG), Quality Assurance Division (QAD), or other monitoring review findings.

The PHA must comply with EHV reporting requirements in the Voucher Management System (VMS) and Financial Data Schedule (FDS) as outlined in Notice PIH 2021-15.

The PHA must maintain complete and accurate accounts and other records for the program and provide HUD and the Comptroller General of the United States full and free access to all accounts and records that are pertinent the administration of the EHVs in accordance with the HCV program requirements at 24 CFR 982.158.

Exhibit 18-1: MEMORANDUM OF UNDERSTANDING (MOU)

Memorandum of Understanding –

Emergency Housing Voucher Program (EHV)

SEATTLE HOUSING AUTHORITY (hereinafter, SHA)

190 QUEEN ANNE AVE NORTH

SEATTLE, WA 98109

KING COUNTY REGIONAL HOMELESSNESS AUTHORITY (hereinafter KCRHA)

400 YESLER WAY, STE. 600

SEATTLE, WA 98104

WHEREAS, Emergency Housing Vouchers (EHVs) are intended to assist individuals and families who are experiencing homelessness; at risk of experiencing homelessness; fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; or who were recently homeless and for whom providing rental assistance will prevent the family's homelessness or a high risk of housing instability; and

WHEREAS, on December 19, 2019 King County Council and Seattle City Council each passed legislation creating the new KCRHA, which will have unified responsibility, authority and funding overseeing the Seattle/King County Continuum of Care (CoC) and the region's homeless response system. KCHRA services will include prevention from homelessness for persons at imminent risk of housing loss, outreach to persons experiencing homelessness, diversion from homelessness to housing, services associated with Permanent Supportive Housing, shelter and Rapid Rehousing. KCRHA also has responsibility for strategic planning, system administration, and overall performance measurement of the crisis response system in King County; and

WHEREAS, SHA is the local Public Housing Authority in the City of Seattle providing rental assistance and housing to more than 18,000 low-income households, and half of households newly receiving SHA housing assistance from 2018-2020 were experiencing homelessness prior to admission: and

WHEREAS, In May 2021, SHA was awarded an allocation of Emergency Housing Vouchers created through the American Rescue Plan Act of 2021 from the US Department of Housing and Urban Development (HUD); and

WHEREAS, HUD has set forth guidelines for administering the EHVs in Notice PIH 2021-15 (HA), including that housing authorities partner with the Continuum of Care (CoC) and, as needed, other homeless or victim services providers to assist qualifying families through a direct referral process; and

WHEREAS, providing EHVs to those currently experiencing unsheltered homelessness, including those in vehicles, people living in enhanced shelters, tiny home villages, people fleeing violence to the domestic violence system, people at imminent risk of loss of housing in rapid rehousing, those residing in supportive housing who voluntarily desire to move on, and families with children in domestic violence and intimate partner violence transitional housing at risk of inability to move on with durable rental subsidy, will enable the region to house those currently living outside; and

WHEREAS, successful participation in the EHV program for individuals and families is leasing a right-fit rental unit (typically in the private market) and remaining stably housed; and

WHEREAS, the King County Regional Homeless Authority's Inter-local Agreement Guiding Principles include: "The Authority shall address racial-ethnic and other statistical disproportionalities amongst the population of people experiencing homelessness…" and SHA shares this strong commitment to race and social justice; and

WHEREAS, the EHV allocation under the American Rescue Plan Act is in response to the public health and economic crisis caused by the COVID-19 pandemic, and HUD strongly encourages housing authorities and CoCs to consider comparative health risks from COVID-19 when designing preferences for EHV, and the federal Centers for Disease Control have identified that people of color, especially people who identify as Black, Indigenous and Latinx people, are disproportionately impacted by COVID-19 related to risk of acquisition and severity of disease; and

WHEREAS, Black, Indigenous, and Latinx people, and LGBTQIA-identified people continue to be disproportionately impacted by homelessness, have longer periods of homelessness, longer times to be housed, and higher rates of returns to homelessness; and

WHEREAS, people of color—especially people who identify as Black, Indigenous and Latinx—are disproportionately experiencing homelessness in King County because of historical and current structural racism; and

WHEREAS, the *2020 Seattle/King County Point-in-Time Count of Individuals Experiencing Homelessness* found that 52 percent of people experiencing homeless identified with a race other than White and 15 percent identified as Hispanic/Latinx; and the report also indicates that individuals experiencing homelessness in families with children are 16 times more likely to be Black or African American and three times more likely to identify as LGBTQIA+ than individuals experiencing homelessness in households without children; and

WHEREAS, childhood trauma as a result of homelessness has lifelong negative effects on physical and mental health; and

Now, therefore, SHA and KCRHA enter into the following Memorandum of Understanding (hereinafter, MOU or Memorandum) to collaboratively ensure efficient, equitable and effective distribution and utilization of the Emergency Housing Vouchers to address homelessness and housing disparities in Seattle.

Statement of Cooperation

SHA and KCRHA are committed to administering the EHV program in accordance with all program requirements and with a primary focus to serve populations that have been historically marginalized and disproportionately impacted by homelessness. As party to this MOU, the agencies are committed to the success of this program and agree to continually collaborate to improve the program structure and participant services; create efficiencies; and to develop new strategies to increase service supports as needed for EHV applicants and participants.

The goals and standards of success in administering the program are to quickly achieve full and equitable distribution and utilization of the vouchers for people experiencing homelessness, and to ensure long-term housing stability of the recipients of the EHVs. This will be achieved by facilitating access to EHVs for eligible households referred by the King County CoC Coordinated Entry (CE) system, and ensuring that the recipients of the EHVs have the appropriate services and supports to lease up and to remain stably housed after successfully leasing a unit.

Program Eligibility Requirements

EHV-specific eligibility requirements are defined in PIH 2021-15 HA. The following is a high level summary. In order to be eligible for an EHV, an individual or family must meet one of four eligibility categories:

a. homeless;

b. at risk of homelessness;

c. fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; and/or

d. recently homeless and for whom providing rental assistance will prevent future homelessness or having high risk of housing instability.

Participants must meet Housing Choice Voucher eligibility requirements unless specifically waived or amended for the EHV program.

Roles and Responsibilities

A. Mutual Commitments

All Parties agree to work collaboratively and swiftly to establish priorities, policies and procedures, which may be amended from time to time through mutual consent. The guiding strategies initially identified include:

1. EHV rental assistance shall be used to address populations disproportionately impacted by COVID-19 related to risk of acquisition and severity of disease and other statistical disproportionalities amongst the marginalized population of people experiencing homelessness in King County.

2. EHV rental assistance will be used to serve individuals and families living unsheltered in encampments or in vehicles, and people living in tiny villages or enhanced shelters, and people housed with rapid rehousing but at imminent risk of returning to homelessness, in transitional housing, and youth and young adults over 18 and under 26 who are experiencing housing instability and at risk of homelessness.

3. EHV rental assistance will be used to promote voluntary Move-On for individuals and families served in Permanent Supportive Housing (PSH) programs.

4. EHV rental assistance will be used to serve individuals and families fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking.

5. EHV rental assistance will be used to serve families with children currently on the caseload of the Washington State Department of Children, Youth and Families (DCYF) where the Department has certified that the family's current state of homelessness is threatening to result in out of home placement of children into foster care, or preventing the reunification of the family with children currently in out of home foster care.

6. SHA and KCRHA shall establish voucher referral, issuance and lease-up schedules in order to assure that these critical housing resources are deployed as quickly as possible to assist eligible households in moving into safe and secure housing.

7. SHA and KCRHA shall collaborate to recruit landlords and secure rental units in Seattle resulting in expeditious lease up and equitable housing access in the City, especially for families and individuals of color.

8. It will take a regional community wide approach to ensure successful leasing. SHA and KCRHA commit to outreach and building community involvement with philanthropy, business and members of the Seattle community to build housing capacity for EHV households.

9. SHA will consult with KCRHA in the establishment of the leasing activities SHA will financially support through use of its EHV special service fees.

10. In the event that CoC actual referrals, voucher issuances and/or client lease-up schedules are not being met, all parties will cooperate in developing appropriate approaches to resolving these issues.

SHA Responsibilities

SHA commits to the following:

1. Accept direct referrals for eligible individuals and families from the King County CoC Coordinated Entry (CE) system. In the event this process does not provide a sufficient number of eligible households to SHA to meet established referral, voucher issuance and lease-up targets, SHA and KCRHA will work collaboratively to develop additional referral strategies to meet those targets to ensure full, equitable and timely distribution and utilization of the EHVs;

2. Coordinate and consult with KCRHA in developing the plan for implementation and supports to be offered to EHV applicants and participants;

3. Commit sufficient staff and necessary resources to support the mutually stated goals and standards of success outlined in this MOU;

4. Commit a sufficient number of staff and necessary resources to ensure that the application, certification, and voucher issuance and the unit inspection and lease up processes are completed in a timely manner;

5. Designate a staff member to serve as the lead EHV liaison with the KCRHA, CE staff, CoC service providers and other referral partners;

6. Amend its HCV Administrative Plan, as needed, in accordance with applicable program regulations and requirements, and available COVID and EHV waivers of documentation necessary to reduce administrative barriers, if needed;

7. Maintain SHA's current low-barrier admission criteria which applies to SHA special purpose voucher programs. Administer the EHVs in accordance with applicable federal, state and local program regulations and requirements;

8. Work with KCRHA to develop the necessary data and tracking metrics for tracking and improvement purposes to ensure eligibility and general compliance as well as progress towards meeting the standards of success for the EHV program;

9. Provide training to KCRHA, CE staff, the CoC service providers and other referral partners on SHA's EHV program policy and procedures, applicable forms, and referral processes;

10. Provide housing navigation services in collaboration with CoC service providers to help individuals and families lease up using their EHV including but not limited to: locating rental units for lease; introductions to landlords with units for lease; landlord negotiations; assistance with completing rental unit applications;

11. Support unit referrals and landlord introductions to EHV recipients, for example, through the City of Seattle Office of Housing Affordable Housing Acquisition program, and SHA partner - the

Housing Connector and/or other similar agency(ies) to enhance efforts for private landlord recruitment;

12. Provide assistance to EHV individuals and families with locating financial resources to help cover: move-in costs; utility hook-up fees, deposits; and new unit set up furnishing as needed;
13. Update KCRHA, the CoC service providers, and other referral partners in advance regarding any changes with SHA policy and procedures that may have an impact on the administration of the EHV program;
14. Conduct regular EHV program meetings with KCRHA, CE Staff, the CoC service partners, and other referral partners;
15. Maintain relevant data and provide access to the data as required for reconciliation and program evaluation purposes; and
16. Commit to cooperate and adhere to the HUD guidelines for the administration of the EHV program, and the terms of this MOU.

B. KCRHA Responsibilities

KCRHA commits to the following:

1. Collaborate to address racial-ethnic and other disproportionalities amongst marginalized populations of people experiencing homelessness and other risks, including populations disproportionately impacted by COVID-19 related to risk of acquisition and severity of disease, in the use of the Emergency Housing Vouchers;
2. Coordinate and collaborate with SHA in the development of EHV integration and prioritization process within CoC systems;
3. Coordinate and collaborate with SHA in the development and implementation of the plan for implementation of the program, housing search assistance financial aid, and the supportive services available through the CoC to be paired with EHV rental assistance;
4. Commit sufficient staff and necessary resources to support the goals of this collaboration;
5. Ensure that the CoC systems meet the monthly referral benchmarks and goals established;
6. Establish and maintain policies and procedures to ensure that referrals made to SHA are eligible for the EHV in accordance with the eligibility categories outlined in the PIH Notice 2021-15, and that they are referred with an appropriate level of supportive services to ensure ongoing housing stability through the EHV program;
7. Establish and/or amend CoC policies and procedures, as needed, in order to support the EHV program;
8. Establish and maintain procedures to ensure applications submitted through CoC CE are thoroughly completed and contain supporting documentation before making referral to SHA, in accordance with the EHV requirements as implemented;
9. Oversee and support the CoC service providers to ensure that they are meeting their referral and other service commitments, including but not limited to counselling on rental lease requirements, information about the surrounding community such as schools, grocery, public transportation, jobs, landlord negotiations, connections to other ongoing services such as health and social services and on-going services as necessary, to assure housing stability;

10. Update partners of this MOU in advance regarding any changes with their policy and procedures that may have an impact on the administration of the EHV program;
11. Actively participate in the meetings, communications, continuous improvement and learning activities regarding the EHV program;
12. Train the parties of this MOU on the CoC system processes and partnerships, services available and other information relevant to implementation of EHVs;
13. Train the CoC service providers on policies, procedures and provisions of this MOU to ensure compliance and consistency;
14. Maintain relevant data and provide access to the data as required for reconciliation and program evaluation; and
15. Commit to cooperate and adhere to the HUD guidelines for the administration of the EHV program, and the terms of this MOU.

C. CoC Service Provider' Responsibilities

The CoC service providers will ensure that individuals and families referred to SHA are offered the below services which will include but are not limited to the following:

*(*SHA may waive some or all of these requirements on a case-by-case basis for grass-roots/community-based organizations led by priority populations.)*

1. Collaborate and innovate to address populations disproportionately impacted by COVID-19 related to risk of acquisition and severity of disease and other statistical disproportionalities amongst the population of people experiencing homelessness in King County, and ensure equitable distribution in the use of the EHVs. This includes establishing and maintaining policies and procedures to allow for the referral to SHA of marginalized populations that have members who are disparately impacted by homelessness and COVID-19 and who are eligible for the EHVs;
2. Enter into agreement with the KCHRA to participate in the EHV program;
3. Conduct outreach and screen individuals and families to ensure they meet at least one of the EHV eligibility categories, and complete and sign the SHA EHV certification form;
4. Provide assistance to individuals and families with submitting timely application and supporting documentation materials to SHA for EHV eligibility determination, and to assist with gathering such information as may be waived on intake but required later;
5. Provide assistance and support to individuals and families by responding to inquiries from SHA regarding their EHV application; attending voucher briefings and meetings as needed;
6. Ensure referrals made for EHVs are paired with the appropriate level of services (which may be provided directly by the referring agency). This includes working with SHA on leasing supports and providing housing stabilization services, including but not limited to: counselling on rental lease requirements; information about the surrounding community such as schools, grocery, public transportation, jobs; landlord negotiations; connections to other ongoing services such as health and social services and on-going services as necessary, to assure housing stability.
7. Designate an appropriate level of staff to ensure the above services can be delivered;

8. Designate one liaison from partnering organizations to communicate with SHA;
9. Update EHV partners in advance, regarding any changes with their policy and procedures that may have an impact on the administration of the EHV program;
10. Actively participate in the meetings, communications, continuous improvement and learning activities regarding the EHV program;
11. Collaborate with SHA on the identification and provision of the appropriate supportive services to EHV individuals and families;
12. Maintain relevant data and provide access to the data as required for reconciliation and program evaluation purposes; and
13. Commit to cooperate and adhere to the HUD guidelines for the administration of the EHV program, and the terms of this MOU.
14. Provide the appropriate level of services for EHV families and individuals to maintain housing.

Program Evaluation

SHA and KCRHA agree to cooperate with HUD, provide requested data to HUD or HUD-approved contractor delegated the responsibility of program evaluation protocols established by HUD or HUD-approved contractor, including possible random assignment procedures.

Duration

This Memorandum of Understanding (MOU) has been created and entered into effective 07/01/2021 and remains in effect for the duration of initial issuance the Emergency Housing Vouchers (through September 2023 or as provided by HUD.

Amendments

Any party may request changes to this MOU. Proposed changes that are agreed upon shall be incorporated by written amendments to this MOU.

Notices

Notices related to this MOU are to be provided by one party to another and shall be in writing, directed to the designated points of contact. Notice shall be considered delivered three (3) business days after being posted in the US mail or by email.

Points of Contact

All official communication regarding this MOU will be directed to

1) **SHA:** Alice Kimbowa, HCV Program Director
2) **KCHRA**: Peter Lynn, Chief Program Officer

Signed By:

Rod Brandon

Executive Director, Seattle Housing Authority Date

Marc Dones Date

Chief Executive Officer, King County Regional Homeless Authority

Exhibit 18-2: HOMELESS PROVIDER'S CERTIFICATION

HOMELESS CERTIFICATION

Section 1: Complete all the information in this section below.	
Emergency Housing Voucher Applicant Name: _____	Number of persons in the household: _____
Check one: • Household w/o dependent children (complete one form for each adult in the household) • Household with dependent children (complete one form for household)	

Section 2: This is to certify that the above named individual or household meets the following criteria based on the check mark, other indicated information, and signature indicating their current living situation. Check only one box and complete only box.

☐ **Living Situation: place not meant for human habitation (e.g., cars, parks, abandoned buildings, streets/sidewalks)**

The person(s) named above is/are currently living in (or, if currently in hospital or other institution, was living in immediately prior to hospital/institution admission) a public or private place not designed for, or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus station, airport, or campground.

Description of current living situation:

_____

_____

Homeless Street Outreach Program:

_____

This certifying agency must be recognized by the local Continuum of Care (CoC) as an agency that has a program designed to serve persons living on the street or other places not meant for human habitation. Examples may be street outreach workers, day shelters, soup kitchens, Health Care for the Homeless sites, etc.

Authorized Agency Representative Signature: _____ Date: _____

☐ **Living Situation: Emergency Shelter**

The person(s) named above is/are currently living in (or, if currently in hospital or other institution, was living in immediately prior to hospital/institution admission) a supervised publicly or privately operated shelter as follows:

Emergency Shelter Program Name:

_____

This emergency shelter must appear on the CoC's Housing Inventory Chart submitted as part of the most recent CoC Homeless Assistance application to HUD or otherwise be recognized by the CoC as part of the CoC inventory (e.g., newly established Emergency Shelter).

Authorized Agency Representative Signature: _____ Date: _____

☐ **Living Situation: Recently Homeless**

The person(s) named above is/are currently receiving financial and supportive services for persons who are homeless. Loss of such assistance would result in a return to homelessness (ex. Households in Rapid Rehousing Programs, residents of Permanent Supportive Housing Programs participating in Moving On, etc.

This referring agency must appear on the CoC's Housing Inventory Chart submitted as part of the most recent CoC Homeless Assistance application to HUD or otherwise be recognized by the CoC as part of the CoC inventory. Immediately prior to entering the household's current living situation, the person(s) named above was/were residing in:

- Emergency shelter OR
- Place unfit for human habitation

Authorized Agency Representative Signature: _____ Date: _____

Exhibit 18-3: EXAMPLE OF A VICTIM SERVICES PROVIDER'S CERTIFICATION

HUMAN TRAFFICKING CERTIFICATION

Purpose of Form: The Victims of Trafficking and Violence Protection Act of 2000 provides assistance to victims of trafficking making housing, educational health care, job training and other Federally-funded social service programs available to assist victims in rebuilding their lives.

Use of This Optional Form: In response to this request, the service provider may complete this form and submit it to the Public Housing Agency (PHA) to certify eligibility for EHV assistance.

Confidentiality: All information provided to the service provider concerning the incident(s) of human trafficking shall be kept confidential and such details shall not be entered into any shared database. Employees of the PHA will not have access to these details, and such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

TO BE COMPLETED ON BEHALF OF HUMAN TRAFFICKING SURVIVOR

Emergency Housing Voucher Applicant Name: _____
This is to certify that the above named individual or household meets the definition for persons who are fleeing or attempting to flee human trafficking under section 107(b) of the Trafficking Victims Protection Act of 2000. Immediately prior to entering the household's current living situation, the person(s) named above was/were residing in: _____
This is to certify that the information provided on this form is true and correct to the best of my knowledge and recollection, and that the individual(s) named above is/has been a victim of human trafficking. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction. Authorized Agency Representative Signature: _____ Date: _____