



BUILDING COMMUNITY, PEOPLE, AND PARTNERSHIPS



# **HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN**

**January 2016**

# KNOX COUNTY HOUSING AUTHORITY

## SECTION 8 PROGRAM ADMINISTRATIVE PLAN

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**KNOX COUNTY HOUSING AUTHORITY  
SECTION 8 PROGRAM ADMINISTRATIVE PLAN**

**I. INTRODUCTION AND STATEMENT OF APPROACH AND OBJECTIVES TO ADMINISTER THE SECTION 8 PROGRAMS**

**A. BACKGROUND**

The Knox County Housing Authority was established in 1949, and empowered with the responsibility and authority to maintain the Public Housing Program for the City of Galesburg, Illinois. The Section 8 Program was created by the Housing and Community Development Act of 1974 and amended by the Housing and Community Development Act of 1981 and the Quality Housing and Work Responsibility Act of 1998. In 1974 the Section 8 Program was established by The Knox County Housing Authority (hereinafter referred to as KCHA or Housing Authority), when it received the first Annual Contributions Contract (ACC) under the Section 8 Existing Housing Assistance Payments Program.

Administration of the Section 8 Housing Programs and the function and the responsibilities of the KCHA staff shall be in compliance with the Personnel Policy of the KCHA, the Fair Housing regulations, the Section 8 Administrative Plan, and applicable Standard Operating Procedures. All Federal, State and local housing laws will be followed and the KCHA will comply with the City of Galesburg's Consolidated Plan and their own Agency Plan.

**B. HOUSING AUTHORITY MISSION STATEMENT AND SECTION 8 PROGRAM OBJECTIVES**

1. The mission statement of the KCHA is:  
Recognizing that the need for shelter falls only slightly below that of nutrition in the hierarchy of human needs, the Knox County Housing Authority's mission is to be the leader in making excellent, affordable housing available for low to moderate income persons in Knox County. This mission is expanded to include partnering with other agencies and the families served to plan and implement programs and services that will help those families develop and thrive. Effective management and the wise stewardship of public funds being primary considerations throughout.
2. The following objectives of the Section 8 Programs support the above mission statement:
  - a. To provide decent, safe, and sanitary living conditions;
  - b. To provide improved living conditions for very low-income families while maintaining their rent payments at an affordable level;

- c. To promote personal, economic and social upward mobility to assist residents to make the transition from subsidized to non-subsidized housing; and
- d. To provide an incentive to private property owners/landlords to rent to low-income families by offering timely assistance payments and excellent service.

C. LEGAL JURISDICTION

The area of operation of the KCHA is geographically defined as Knox County, Illinois.

D. PURPOSE OF THE ADMINISTRATIVE PLAN

The purpose of the Administrative Plan is to establish local policies for administering the program in a manner that is consistent with HUD requirements and the local goals and objectives as set forth in the KCHA's Agency Plan.

The Administrative Plan, hereinafter referred to as the Plan, covers both the admission and continued participation in the above-mentioned program. The KCHA is responsible for complying with all changes in HUD regulations pertaining to these programs. Revisions to the Plan will be made as needed to comply with new HUD requirements or changes. If such changes conflict with this Plan, HUD regulations will have precedence.

The Plan is a supporting document to the KCHA's Agency Plan and shall be available for review as required by 24 CFR 903. Pursuant to 24 CFR Part 982.54 the Plan and any revisions shall be presented to the KCHA Board of Commissioners for formal adoption and a copy provided to HUD.

E. NONDISCRIMINATION

The KCHA shall not discriminate because of race, color, gender, religion/ creed, national origin, age, familial status or disability/handicap in the performance of its obligations in any program under its jurisdiction covered by a contract for annual contributions under the United States Housing Act of 1937, as amended.

The KCHA shall not deny admission to an applicant or participant who is or has been a victim of domestic violence, or stalking, if the applicant otherwise qualifies for admission or assistance.

To further the commitment to full compliance with applicable Civil Rights laws, the KCHA will provide information to Section 8 applicants and participants with regard to housing discrimination. Information and Discrimination Complaint Forms will be made part of the briefing packet.

Posters and housing information with the Equal Opportunity Housing logo may be displayed in locations through the KCHA office in such a manner as to be easily readable from a wheelchair.

The KCHA's Section 8 office space is accessible to persons with disabilities. Accommodations will be made for those individuals that need a TDD/TDY telephone.

F. SERVICE POLICY/ACCOMMODATIONS

It is the policy of the KCHA to be service-directed in the administration of its housing programs, and to exercise and demonstrate a high level of professionalism while providing housing services.

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

G. TRANSLATION OF DOCUMENTS

In determining whether it is feasible to translate documents into other languages or Braille for the blind, the KCHA will consider the following factors:

1. The number of applicants and participants who do not speak English and speak another language, or need Braille for adequate understanding.
2. The cost per client of translating the documents into another language or into Braille.
3. The availability of translation and/or interpreter services in the KCHA's jurisdiction.

At a minimum, the KCHA will prepare the following information in a clearly written format:

- Marketing and informational material;
- Application process information;
- The application;
- All form letters and notices to the applicant/participant;
- The KCHA's general policy regarding reasonable accommodation;
- New participant orientation materials;
- The voucher and any applicable program rules;



- Information on opening, closing and up-dating the waiting list; and
- All information related to applicant/participant rights (informal/formal hearings, grievance procedures, etc.).

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

#### H. PRIVACY RIGHTS

Applicants and participants, at time of application, admission, annual or interim reexamination, will be required to sign the form HUD 9886, Authorization for Release of Information/Privacy Act Notice, which is valid for fifteen (15) months from the date of signature.

The KCHA shall notify applicants and participants assisted under Section 8 of the U. S. Housing Act of 1937 of their rights under the Violence Against Women Act (VAWA), including their right to confidentiality and the limits thereof, and to owners and managers of their rights and obligations under the VAWA.

The KCHA policy regarding release of information is:

1. The KCHA will not release information to other persons or entities unless the applicant/participant has signed a release of information authorizing the KCHA to release specific information to the person(s) or entity.
2. However, the KCHA may release information on amounts owed for claims paid and not reimbursed by the client.
3. Upon receiving a written request from a prospective owner/landlord, the KCHA must release the Voucher holder's current and prior address, if known. The KCHA must also release the names and addresses of the current and prior owner/landlord, if known.
4. The KCHA may release information as required by law to a federal or state agency, law enforcement personnel, or if the KCHA has received a court subpoena.

5. The KCHA must limit use and disclosure of family information obtained through release and consent to purposes directly connected with the program administration (i.e. an adult's EIV data will be released only to that adult. A minor's EIV data may be released to his/her parent.).
6. The KCHA shall retain in confidence all information pursuant to Violence Against Women Act including the fact that an individual is a victim of domestic violence, dating violence, or stalking.

The information shall neither be entered into any shared database nor be provided to any related entity, except:

- To the extent that disclosure is requested or consented to in writing by the individual; or
- Required for use in an eviction proceeding of an abuser, stalker or perpetrator of domestic violence; or
- Is otherwise required by applicable law

I. RULES AND REGULATIONS

All issues not addressed in this document related to tenants, participants and owners/landlords are governed by the Code of Federal Regulations (24 CFR), HUD Guidebook 7420.10G, HUD Memos, Notices and Guidelines or other applicable law, and the Section 8 Programs Standard Operations Procedures.

J. LIST OF SECTION 8 PROGRAMS

The following is a list of Section 8 Programs offered by the KCHA:

Housing Choice Voucher Program  
Section 8 Homeownership  
Section 8 Project-based Vouchers

STAFFING POSITIONS

The following are the positions/titles of staff members who are responsible for the implementation of the Section 8 Programs:

Executive Director  
Assistant Director  
Section 8 Coordinator  
Support Specialist (2)

K. CUSTOMER RELATIONS

The KCHA considers all families and owners as its customers. The goal of the KCHA is to respond promptly to the needs of its customers. All contact with the customer and the general public will be handled in a professional and courteous manner. The KCHA requires complaints to be submitted in writing, except for emergency HQS deficiencies.

#### M. VIOLENCE AGAINST WOMEN ACT

Violence Against Women Reauthorization Act of 2013 (VAWA), signed into law January 5, 2014, establishes the rights of victims of domestic violence, dating violence, sexual assault and stalking, living in federally funded housing.

1. The Violence Against Women Reauthorization Act of 2013 applies to both men and women equally.
2. The KCHA must keep information regarding Victims of Domestic Violence, Sexual Violence, Dating Violence, Sexual Assault or Stalking confidential and in accordance with Privacy Laws:
  - a. Any VAWA documentation provided shall not be entered into any shared database.
  - b. Employees and/or property management will not have access to VAWA documentation unless explicitly authorized.
  - c. The KCHA shall not disclose VAWA documentation to any other entities or outside agencies unless the disclosure of the documentation is:
    - i. Requested or consented to by the individual, in writing, who is requesting VAWA protections; or
    - ii. Required for use in an eviction proceeding; or
    - iii. Otherwise required by applicable law.
3. Documenting Domestic Violence, Sexual Violence, Dating Violence, Sexual Assault or Stalking
  - a. To provide a resident or applicant who is a victim of domestic violence, sexual violence, dating violence, sexual assault or stalking the considerations outlined in this ACOP and Lease, the victim must document, that the resident or applicant is indeed a victim. The Property Manager and/or the KCHA shall verify all the information given to them regarding the above.
  - b. A victim may submit evidence to document domestic violence, sexual violence, dating violence, sexual assault or stalking. However, depending on the arrangements and/or modification requested, different types of documented evidence may be required. Documentation that may be requested, includes but is not limited to:
    - i. The HUD-approved certification form signed by the resident or applicant;

- ii. A certified statement from an employee, agent, or volunteer of a victim services provider, an attorney, or medical professional, from whom the victim has sought assistance in addressing domestic violence, sexual violence, dating violence, sexual assault or stalking;
  - iii. A Federal, state, or local police report;
  - iv. A current Order of Protection;
  - v. A letter(s) from administrative agencies and/or mental health professionals, from whom the victim has sought assistance.
4. The KCHA may remove a household member from a lease without regard to whether the household member is a signatory to the lease (through lease bifurcation), in order to evict or terminate occupancy rights of any tenant or lawful occupant who engages in criminal acts of physical violence against other authorized household members without evicting or terminating the occupancy rights of the victim of such violence

#### N. CODE OF CONDUCT

In accordance with the Annual Contributions Contract, Section 19, Conflict of Interest and 24CFR 982.161, the KCHA has established a written code of conduct for conducting business in accordance with core values and ethical standards. (See KCHA's Conduct Standards Policy.)

The KCHA shall adhere to its Code of Conduct and shall sanction and/or terminate any officer, employee, or agent for violations consistent with applicable state or local law.

The conflict of interest prohibition under this section may be waived by the HUD field office for good cause.

## II. OUTREACH TO FAMILIES AND OWNERS/LANDLORDS

### A. FAMILY OUTREACH

The Section 8 office publicizes and disseminates information, as needed, concerning the availability and nature of housing assistance. Upon execution of an Annual Contributions Contracts (ACC) for additional units, the Section 8 office will publish in a newspaper of general circulation, minority media, and other suitable means the availability and nature of housing assistance for very low-income families, unless application-taking has been suspended according to HUD regulation. A waiting list hotline with a recorded message may be utilized.

The Section 8 office may distribute fact sheets to the broadcast media. Personal contacts with the news media, community service personnel, and public service announcements will be handled by the Executive Director's Office.

Upon receipt of new funding, the Section 8 office will review its current waiting list and determine whether outreach is needed and what types of outreach will be implemented.

Applicants and participants will be provided with:

- Information about general locations and characteristics of neighborhoods.
- A listing of available rental property. These listings show addresses, shopping centers, bus lines, amenities, deposit information, etc., as provided by owners/landlords.
- Information that they may choose any unit within the KCHA's jurisdiction as long as the program requirements are met regarding the unit.
- Information on portability provisions that may be available in the Section 8 Housing Choice Voucher Program.
- A map which identifies areas of low-poverty and minority concentrations.

### B. OWNER/LANDLORD OUTREACH

The Section 8 office will strive to maintain good relations with existing owners/landlords and will encourage new owners/landlords to participate and to make dwelling units available for leasing by eligible families in accordance with the Administrative Plan.

The KCHA will use a comprehensive marketing effort described in the next section to recruit owners/landlords in areas that offer expanded opportunities to our participants.

In order to assure that owner/landlord outreach efforts are reaching owners/landlords with units outside areas of low-income and minority concentration,

the KCHA will evaluate new Request for Tenancy Approvals by determining if the address is in an area outside poverty/minority concentration.

The KCHA may participate in community-based organization(s) comprised of private property and apartments/landlords and managers.

The KCHA may conduct periodic meetings with participating owners/landlords to improve owner/landlord relations and to recruit new owners/landlords.

C. PROMOTING GREATER HOUSING OPPORTUNITIES FOR FAMILIES OUTSIDE AREAS OF LOW-INCOME AND MINORITY CONCENTRATION

1. A comprehensive marketing plan may be used to locate owners/landlords, as follows:
  - a. Un-impacted areas are identified.
  - b. Regular meetings are held with investors and other owner/landlord groups to explain the program and recruit owners/landlords. A presentation is given and written materials are distributed.
  - c. The rental stock in areas without concentration of very low-income and minority residents are surveyed to identify vacant units. The owners/landlords and managers are contacted
  - d. Investors are recruited to purchase units in the identified areas and rent them to the Section 8 applicants and participants.
  - e. Apartment complex managers are recruited through meetings with manager associations and special training programs geared toward apartment management.
  - f. Ads and articles are placed in owner/landlord, manager, and investor newsletters.
  - g. All Section 8 staff are required to adopt the customer service representative approach and implement the program accordingly.
  - h. Tax credit investors are monitored for proper participation to meet their responsibilities as participants using the Section 8 HCVP in conjunction with their other subsidies.
2. Mass media is used as needed.
3. Printed materials for owners/landlords may consist of:
  - a. A one-page tri-fold handout; or

- b. An owner/landlord packet that describes all of the procedures as well as tips on how to be successful with the Section 8 HCVP.

D. OPENING/CLOSING THE WAITING LIST

1. Opening the Waiting List

The opening of the Waiting List shall be announced through public notices as follows:

- a. The notice shall be placed in a newspaper of general circulation, in a minority publication and in plain view in the application office.
- b. Postings may be made at locations throughout the community and may be sent to social service agencies.
- c. The notices shall contain where and when interested parties can apply.
- d. The notice shall state limitations on who may apply (i.e. residents of jurisdiction, working families, extremely low-income, etc.).
- e. The notice shall contain the Equal Opportunity Housing logo and non-discrimination statement in the advertising message.

2. Closing the Waiting List

The closing date of the Waiting List may be announced at the same time as the opening is announced, if determinable, or at another time when the KCHA reaches a number of applicants who will most likely receive assistance within a twelve (12) to eighteen (18) month period.

- a. The notice shall be placed in a newspaper of general circulation and in plain view in the application office.
- b. Postings may be made at locations throughout the community and may be sent to social service agencies.

### III. COMPLETION OF APPLICATION, PREFERENCES, DETERMINATION OF ELIGIBILITY, AND SELECTION OF FAMILIES

#### A. COMPLETION OF APPLICATION

##### 1. Pre-Application Procedures

- a. A preliminary-application form (pre-application) may be utilized. Application may be made in person, at the KCHA office at 216 West Simmons Street, Galesburg, IL 61401; between the hours of 8:00 a.m. to 12:00 p.m. and 1:00 p.m. to 4:30 pm. Monday through Thursday, except on holidays. The application may also be downloaded from our website at [www.knoxcountyhousing.org](http://www.knoxcountyhousing.org) and submitted via mailed/emailed. Applications will be mailed to interested families only as a verifiable reasonable accommodation and, if requested, it will be mailed in an accessible format. To provide specific accommodation for persons with disabilities, they may call the KCHA to make special arrangements to complete their application. Applications are date and time stamped when returned to the KCHA, fully completed and signed by the applicant family's head of household.
- b. The purpose of the pre-application is to permit the KCHA to preliminarily assess family eligibility or ineligibility and to determine placement on the Waiting List. The pre-application may contain questions designed to obtain the following information:
  - Date and time of application
  - Name, age, SSN of each household member;
  - Sex and relationship of all members;
  - Street Address and phone numbers;
  - Mailing Address (if different from street address);
  - Amount(s) and source(s) of income received by household members;
  - Information related to qualification for preference or special admissions;
  - Race/ethnicity;
  - Citizenship/eligible immigration status;
- c. Pre-applications may not require an interview. The information on the pre-application may not be verified until the applicant has been selected for final eligibility determination. Final eligibility will be determined when the full application process is completed and all information is verified.
- d. Applicants are required to inform the KCHA, in writing, of changes in address or any changes. Applicants are also required to respond to



requests from the KCHA to update information on their application and to determine their interest in assistance.

- e. Failure to provide information or to respond to mailings may result in the applicant's name being removed from or placed at the bottom of the Waiting List. Mail that is returned by the U.S. Postal Service may result in removal from the Waiting List. Applicants who are removed from the Waiting List may reapply for assistance when the Waiting List is opened. Exception: If the applicant did not respond to the KCHA request because of a family member's disability, the KCHA will reinstate the applicant in his/her former position on the waiting list.

## 2. Removal of Applicants from the Waiting List

The KCHA will not remove an applicant's name from the waiting list unless:

- A. The applicant requests in writing that the name be removed, or the Head of Household (HOH) removes applicant names (other adults and juveniles);
  - i. Provided the HOH certifies the removed member will not be permitted to reside in the unit
  - ii. After admission, the HOH must provide evidence of the removed member's current address upon request
- B. An active Order of Protection has been issued;
- C. The applicant fails to respond to a written request for information or a request to declare their continued interest in the program;
- D. The applicant does not meet either the eligibility or suitability criteria for the program.

## 3. Notification of Applicant Status

Based on the information provided by the applicant on the pre-application form, if the family is determined to be potentially eligible, the applicant will be notified in writing of their eligibility status.

If the family is obviously ineligible, (i.e. no one is a citizen or has eligible immigration status) the KCHA will mail a letter of ineligibility.

## 4. Completion of a Full Application

- a. Families will be invited to come into the office to complete a full application at a scheduled interview. Appointments are scheduled by

mail and will provide the applicant with at least two (2) weeks written notice. The appointment letter also identifies the type of information that the applicant will be required to bring to the interview.

- b. The family will complete the application on their own whenever possible. The head of household, as well as all members of the household eighteen (18) years of age and over must sign the application including all required HUD forms. Reasonable accommodations are made for persons with disabilities.

- c. Requirement to Attend Scheduled Meeting

It is the applicant's responsibility to reschedule the interview. If the applicant fails to attend the scheduled appointment and does not contact the Section 8 Department in writing or by telephone to reschedule the appointment the application may be rejected and the family may be denied admission.

- d. Verification of Full Application Information

- (1) Information provided by the applicant will be verified including information documenting family composition, income, assets, allowances and deductions, preference status (if needed), full-time student status, and other factors relating to eligibility, to determine applicant eligibility before the applicant is issued a Voucher.

- (2) PHAs are required to follow the steps outlined in Notice PIH 2004-18 when verifying SS and SSI. Therefore, the KCHA will not contact the local SSA offices by phone, fax, or mail.

- (3) Third Party Verification of SS/SSI Benefits of Applicants and Household Members

If Third party verification of SS/SSI benefits of applicants and household members is not available, the KCHA will request a current (dated within the last 60 days) SSA benefit verification letter for each household member that receives social security benefits.

If the applicant and/or household member are unable to provide the requested document, the KCHA will request the applicant/household member to request a benefit verification letter. The KCHA will inform the applicant and/or household member that a request for a benefit verification letter can be made at the SSA Internet Website at [www.ssa.gov](http://www.ssa.gov).

- (4) Third-party verifications in writing (sent by mail directly to the KCHA) are required. The KCHA will retain the returned envelope in the tenant's file as proof of receipt of third-party documentation. Oral third-party verifications are acceptable if they are properly

documented with details and a reason given as to why third-party written verification was not obtained.

- (5) If third-party verification is impossible to obtain, documentation will be placed in the tenant's file explaining why another method was used and the family may provide other documents. Documents will be photocopied when not prohibited by law. When documents cannot be photocopied, staff certification forms, noting recording the source of information, the information obtained, and signed and dated by the staff person, who viewed the document, will be retained in the tenant's file.

5. Final Determination and Notification of Eligibility

- a. After the verification process is completed, a final determination of eligibility will be made before inviting the family to a briefing session.
- b. The Housing Choice Voucher will not be issued before all eligibility criteria have been met.

6. Denial of Admissions

In addition to Section D of this chapter (Drug Abuse, Criminal Activity and Domestic Violence), denial of program assistance will be made for an applicant and participant for any of the following grounds:

- a. The family fails to supply any information that is determined necessary by the KCHA in the administration of the program;
- b. The applicant and participant provides information that is not true or complete;
- c. The applicant or family member(s) has been evicted from federally-assisted housing in the last five (5) years;
- d. If the KCHA has ever terminated assistance under the Voucher program for any member of the family for violation of the Family Obligations;
- e. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federally-assisted housing program;
- f. If the family currently owes rent or other amounts to the KCHA or another PHA in connection with any Section 8 program(s) or Public Housing Assistance under the 1937 Act;

- g. If the family has not reimbursed any PHA for amounts paid to an owner/landlord under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease;
  - h. If the family breaches an agreement to pay amounts owed to a housing authority or amounts paid to an owner/landlord by a housing authority; (The KCHA, 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/landlord by a PHA.) The KCHA may prescribe the terms of the agreement);
  - i. If the family has engaged in or threatened abusive or violent behavior toward KCHA personnel;
  - j. If an applicant is a Sex Offender and/or required to be registered in a "State life-time sexual offender" registry, they will be determined ineligible;
  - k. Any family member has been convicted of manufacturing or producing methamphetamine on the premises of any federally assisted housing (including the building or complex in which unit is located and associated common areas and grounds);
  - l. The applicant does not meet the eligibility criteria (e.g. the family's annual income exceeds income limits for a family of that size); and
  - m. Any adult member refuses to sign or submit required consent forms (non-citizen status, 9886).
7. Right to an Informal Review
- The Informal Review process can be reviewed in greater detail in "Section XXI. Informal Hearing and Reviews".
- a. Applicants who are denied Section 8 assistance are entitled to an informal review.
  - b. Ineligible applicants will be promptly provided with a letter detailing their individual status, stating the reason for ineligibility, and offering them an opportunity for an informal review.
  - c. Applicants must submit their request for an informal review in writing to the KCHA within ten (10) calendar days from the date of the determination.
8. Updating the Waiting List (Purge)

- a. The KCHA may periodically update (purge) the waiting list to ensure that it is current and accurate.
- b. The KCHA may mail a letter to the applicant's last known address requesting information regarding their continued interest in maintaining a place on the Waiting List.
- c. If the applicant did not notify the KCHA of a move as required, the KCHA may not be responsible for the applicant's failure to receive the update request.
- d. The request letter will include a deadline date by which the applicant must notify the KCHA of their continued interest, by mail or in person.
- e. Notification of a change in address to the U.S. Post Office or sources other than the KCHA is not considered compliance with the requirements to notify the KCHA.
- f. Applicants will be given fifteen (15) days, from the date of the letter, to return the notice of continued interest. The KCHA does not accept responsibility for mail delays.
- g. If the KCHA fails to receive the updated applicant information by the deadline date, the applicant's name will be removed from the Waiting List.

**B. LOCAL PREFERENCES (see definitions)**

In selecting applicants for voucher issuance, KCHA staff will be guided by the following requirements established for local preferences. It is also the KCHA's policy that having a preference does not guarantee any applicant admission to the housing program. Those policies and requirements are presented below.

At the time of initial application, applicants need only to certify they are eligible for a preference. The KCHA will verify all information that is used to establish eligibility prior to placement on the waiting list. It shall be the responsibility of the applicant to report all changes to information provided on their application in regards to family composition, income, contact information, and preference status. Preference status will be determined based on current documentation prior to

admission and admission priority will be adjusted accordingly. Applicants will be selected from the waiting list in preference points ranking order. Applicants with equal preference points will be selected according to date and time of the application.

The Knox County Housing Authority has established the following preferences which will be given a cumulative total point value for each preference in which an applicant qualifies. Applicants will only be eligible for one point amount from each category.

1. Jurisdictional Preference – **32 Points**
  - a. Families residing in Knox County
    - i. Applicant households with a permanent physical residence in Knox County Illinois;
  - b. Families working in Knox County (24 CFR § 960.206(b)(1)(v))
    - i. The head or co-head is employed in Knox County at the time of application;
    - ii. Applicants who have been notified they are hired to work in Knox County
2. Employment/Education Preference
  - a. Employment – Applicant household where the Head of Household, Spouse, or Co-Head of Household, or sole member has been continuously employed at the current minimum wage rate for the three-month (90 day) period prior to the date of the offer for a dwelling unit, and able to document the following average hours worked:
    - i. Applicants who are employed full-time (32 hours and higher per week) – **16 Points**
    - ii. Applicants who are employed part-time (20 - 31 hours per week) – **8 Points**
    - iii. Applicants who are employed full-time (19 hours and below per week) – **4 Points**
  - b. Education – Applicant household where the Head of Household, Spouse, or Co-Head of Household is currently enrolled in, or a graduate in the last six months of a school of higher learning or a training program designed to prepare enrollees for the job market – **16 Points**
    - i. A student is an individual who is attending a school or training program full time
    - ii. Full-time student status will be defined by the institution in which the applicant is enrolled.
  - c. Applicant household where the Head of Household, Spouse, or Co-Head of Household is 62 years of age or older or is disabled will receive the Employment/Education preference – **16 Points**

- d. Applicants who do not reside or work in Knox County will not qualify for the Employment/Education preference.
3. Homeless Preference – **16 Points**
  - a. Applicant households that lack a fixed, regular and adequate night-time residence;
  - b. Have a primary night-time residence that is a supervised public or private shelter providing temporary accommodations;
  - c. Have a primary night-time residence that is a public or private place not ordinarily used as an accommodation for human beings (lack indoor plumbing, toilet facilities, bathing facilities, adequate or safe electrical service, heat, or kitchen);
  - d. Have a primary night-time residence that is a designated social service agency;
  - e. Imminent Danger of Homelessness as defined by the agency's ACOP.
    - i. Served with a court-ordered eviction notice
    - ii. Have been informed of a public safety condemnation of the household's home
    - iii. Foreclosure proceedings are pending on the household's home
    - iv. Have no other subsequent housing options
    - v. Lack financial resources and a support network
    - vi. Facing a sudden and significant loss of income
4. Victims of Domestic Violence – **16 Points**
  - a. Pursuant to the Violence Against Women Act (VAWA), this preference is available for individuals who have been victims of domestic violence, sexual assault, dating violence or stalking.
  - b. To qualify for the preference, documentation must be provided that demonstrates the applicant is indeed a victim of domestic violence, sexual assault, dating violence or stalking, in accordance with the agency's ACOP.
5. Veteran Preference – **12 Points**
  - a. Applicant household where the Head of Household, Spouse, or Co-Head of Household is a current member of the United States Armed Forces;
  - b. Applicant household where the Head of Household, Spouse, or Co-Head of Household is a veteran of the United States Armed Forces (honorable or general discharge);
  - c. Applicant household where the Head of Household, Spouse, or Co-Head of Household is the surviving spouse of a veteran of the United States Armed Forces (honorable or general discharge).
6. Family Preference
  - a. Family – Available to applicant households where two or more persons related by blood, marriage, adoption, or laws who will live together in the same dwelling, or two or more persons who live together and whose income and resources are available for use in meeting regular living expenses for the family – **8 Points**

- b. Secondary Disabled – A secondary member of the family household – other than the Head of Household, Spouse, or Co-Head of Household - **4 Points**
- c. Near-Elderly – Available to applicant households where the Head of Household, Spouse, or Co-Head of Household are between 50 – 61 years of age – **4 Points**
- 7. Displacement – **4 Points**
  - a. Applicant households which, at the time they apply, can document that they have been, or will be involuntarily displaced because of:
    - i. Natural Disaster that has been so declared by a local, state, or federal government agency;
    - ii. Subject to a documented action by a local, state, or federal government entity related to code enforcement, public improvement, or development;
    - iii. Landlord action other than termination of tenancy for cause (lease violations)
    - iv. Unit inaccessibility
  - b. Displacement action must have been within the previous 90 days, or involuntarily displacement will occur within 90 days.
- 8. Excessive Rent Burden/Sub-Standard Housing Conditions – **2 Points**
  - a. Applicants who must spend more than 50% of their monthly income on monthly rent/mortgage payments and basic utilities (water, sewerage, electricity, and space heating fuel); and/or
  - b. Are currently residing in sub-standard housing such as housing that lacks functioning plumbing, heating or electrical systems, and/or which is structurally unsound to the extent that the housing envelope does not adequately prevent incursion by precipitation, or is in imminent danger of collapse.

3. Date and Time of Application (in each of the above circumstances).

Applicants who meet all the eligibility requirements and who qualify for a preference will be assisted first according to the date and time of application. After all applicants with verified preferences are assisted, the KCHA will then contact applicant families who are next on the waiting list, according to date and time of application, and bedroom size needed.

4. Denial of Local Preference(s) Claim

The family will be provided an opportunity to present documentation of their claim for a local preference. Families who cannot provide sufficient documentation to refute the decision for reason for denial will be notified in writing that they do not qualify for a local preference.



The family will be informed they have ten (10) days to request an informal review of the agency's determination. The family may either provide the appropriate documentation or have a conference with the Occupancy Specialist or other designated KCHA representative.

If the HCV Specialist or other designated KCHA representative has been a party to the decision to deny the local preference, the conference may be held with another person designated by the Executive Director. In either case, a letter informing the applicant of the final determination as to their local preference status will be mailed within ten (10) days from the conference/hearing.

### C. ELIGIBILITY DETERMINATION

#### General Eligibility Requirements

The KCHA will determine whether an applicant for participation in the Section 8 Voucher Programs qualifies as a family, is income-eligible, has disclosed and verified Social Security Numbers, is a U.S. Citizen or National or meets eligible non-citizen immigration status, and has no history of drug/alcohol abuse and/or record of violent crime.

#### 1. Family Designation

- a. Two (2) or more persons who intend to share residency whose income and resources are available to meet the family's needs and who have a history as a family unit or show evidence of a stable family relationship for at least one year if not legally married.
- b. Evidence of a stable family relationship may include any of the following: birth certificates of the children, joint tax returns, prior lease (held jointly), joint bank accounts, insurance policies, affidavit of domestic partnership or equivalent documentation.
- c. A child who is temporarily away from home because of placement in foster care at least six (6) months is considered a member of the family. This provision only pertains to the foster child's temporary absence from the home, and is not intended to artificially enlarge the space available for other family members.
- d. An elderly household whose head, spouse or co-head meets the following definitions (unless otherwise approved by HUD). The head, spouse, co-head or sole member must be:

- 62 years of age or older; or
- Disabled with a physical impairment which is expected to be of a long, continued and indefinite duration (at least the next 12 months), which substantially impedes but does not prohibit his/her ability to live independently, (Alcohol and/or drug addiction is not considered part of the definition for disabled.); or
- Disabled within the meaning of Section 223 of the Social Security Act or Section 102(b) or 6001(7) of the Developmentally Disabled Act; or
- Two (2) or more elderly or disabled persons living together or one or more elderly or disabled persons living with one or more live-in aides.

e. Single Persons

A person, 18 years old or older, who lives alone or intends to live alone, and who does not qualify as an elderly family or displaced person or as the remaining member of a resident family.

f. Eligible Single Student of Higher Education

A single student of higher education must be:

- of legal age or an emancipated minor under the state law, and
- if the student is unmarried, under age 24, not a military veteran, and does not have a dependent child, he/she must be individually income eligible for admission and continued participation in the Section 8 Program; and
- Have parents who both individually and together are income eligible for the program or must be able to verify that he/she has been independent of parents for at least one year.

g. Remaining Members

The remaining members of a participant family shall be considered a family. When the head of household departs the family, the adult, 18 years old or older, responsible for the children may receive assistance until the head of household returns.

h. Head of Household

The head of household is an adult member of the household, 18 years old or older, who is designated by the family as the head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State/local law. Emancipated minors who qualify under State laws will be recognized as a head of household.

i. Split Households Prior to Issuance of Assistance

When a family on the waiting list splits into two otherwise eligible families due to divorce or legal separation and the new families both claim the same placement on the waiting list, and there is no court determination, the following will be considered:

- Which family unit retains the children or any disabled or elderly members;
- Recommendation by social services agencies or qualified professionals, such as children's protective service.

Documentation of these factors is the responsibility of the applicant families. If either or both of the families do not provide the documentation, both may be denied placement on the waiting list.

j. Anticipated Family Composition

For initial application, members of the family not currently residing together, but who will be in the household under Section 8 may be listed. The family is to provide documentation describing why the family members are not currently living together.

k. Joint Custody of Children

Children who are subject to a joint custody agreement, but live with one parent at least 51% of the time will be considered members of the household. 51% of the time is defined as 186 days of the year, which do not have to run consecutively.

l. Live-in Aides (also referred to as Live-in Attendants)

A family may include a live-in aide who:

- is determined to be essential to the care and well being of an elderly person, a near-elderly person, or a person with disabilities;
- is not obligated for the support of the family; and
- would not be living in the unit except to provide care for the person(s);
- whose income will not be counted for purposes of determining eligibility or rent; and
- who may not be considered as a remaining member of the resident family;
- relatives are not automatically excluded from being care attendants, but must meet the definition described above;
- a live-in attendant's family members may be allowed to reside in the assisted unit provided that doing so does not increase the subsidy

cost of an additional bedroom, and the presence of the live-in attendant's family does not overcrowd the unit;

- a live-in aide may only reside in the unit with pre-approval. Written verification for the need for a live-in aide will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or caseworker. The provider must certify that a live-in aide is needed for the care of the family member.

## 2. Income Eligibility

Family income must fall within the applicable Very Low-Income limits as published by the Department of Housing and Urban Development. Some families may qualify if they are Low-Income under these circumstances:

- a. A low-income family that is "continuously assisted" under the 1937 Housing Act;
- b. A low-income family physically displaced by rental rehabilitation activity under 24 CFR 511;
- c. A low-income non-purchasing family residing in a HOPE I (HOPE for Public and Indian Housing Homeownership) or HOPE 2 (HOPE for Multifamily Units) Project;
- d. A low-income non-purchasing family residing in a project subject to a homeownership program under 24 CFR 248.173; or
- e. A low-income family displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract under 24 CFR 248.165.

## 3. Restrictions on Assistance to Non-citizens or Eligible Immigration Status Requirements

### a. Required Documentation

- Section 8 programs are covered under Section 214 of the Housing and Community Development Act of 1980, which makes financial assistance contingent upon the submission of verifiable evidence of citizen or eligible non-citizen status.
- Families must submit evidence of citizenship or eligible non-citizen status. A family consisting of members with both eligible and ineligible status may be eligible for prorated assistance.

- Verification of evidence of eligible non-citizen status is necessary to determine whether or not the applicant/participating family is eligible for continuing assistance or admittance to the program. Families will be required to submit a declaration for all members who claim eligible status and/or provide a listing of those members who do not claim eligible status.
- Non-citizen students do not have eligible status, nor does their non-citizen spouse and/or minor children accompanying or joining the non-citizen student. A citizen spouse or minor children of a citizen spouse and non-citizen student are eligible for assistance, however;
- Eligible immigration status includes the following categories:
  - Citizens or national of the United States;
  - Non-citizens with status in one of the following categories:
    - ◆ A non-citizen admitted to the U.S. for permanent residence under Section 101(a)(20) of the Immigration and Nationality Act (INA); as an immigrant under Section 101(a)(15) or as a special agricultural worker under Section 120 or 210A of the INA;
    - ◆ A non-citizen who entered the U.S. before January 1, 1972, (or such later date as enacted by law), and who (1) has continuously maintained residence in the U.S. since then, (2) who is not ineligible for citizenship, and (3) who has been deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General under Section 249 of the INA;
    - ◆ A non-citizen admitted to the U.S. with refugee status under Section 207 of the INA, or with asylum status under Section 208 of the INA, or admitted before April 1, 1980 under Section 203(a)(7) of the INA;
    - ◆ A non-citizen admitted to the U.S. with parole status under Section 212(d)(5);
    - ◆ A non-citizen lawfully present in the U.S. as a result of the Attorney General's withholding deportation under Section 243(h) of the INA (threat to life or freedom); or
    - ◆ A non-citizen admitted for temporary or permanent residence under Section 245A of the INA.
- Evidence of citizenship or eligible non-citizen status shall consist of the following documents or such other documents as deemed acceptable by HUD or the U.S. Citizenship and Immigration Services (CIS) (formerly INS):
  - For citizens: a signed Declaration of U.S. citizenship;
  - For non-citizens:
    - ◆ A signed Declaration of eligible immigration status;
    - ◆ The CIS documents listed in Guidebook 7465.10G, Chapter 6, Section 6-4 (or any other documents determined by the CIS

to be acceptable evidence and announced by notice in the Federal Register); and

◆ A signed Verification Consent Form.

- Documents submitted by an applicant family to verify eligible immigration status will be first verified using the CIS Systematic Alien Verification for Entitlements (SAVE) system. If the SAVE system does not provide verification, a secondary manual search of CIS records will be instituted by the KCHA. If both searches fail to verify eligibility, the family will be notified and will be given the option of requesting an appeal to the CIS and/or a KCHA informal hearing.

b. Ineligible Immigration Status

- Families determined to be ineligible when the evidence of citizenship or eligible non-citizen status submitted by a head of household or spouse cannot be verified either by the KCHA's preliminary inquiry or by the CIS secondary search will be notified in writing that the individual or family has been determined ineligible.
- Families determined ineligible due to lack of citizenship or non-eligible citizenship status may request an appeal to the CIS according to 24 CFR 5.514(e) and may request an informal hearing with the KCHA. Applicant families may request an informal hearing as described in Section 9-2 (c)(2) of Guidebook 7465.10G either upon the completion of the CIS appeal or in place of the CIS appeal.
- Assistance to an applicant may be delayed if the CIS appeal process has been concluded, but may not be denied until after the conclusion of the KCHA informal hearing process, if the applicant requests an informal hearing.

D. DRUG ABUSE, CRIMINAL ACTIVITY, AND DOMESTIC VIOLENCE

1. Denial of Admissions

a. Prohibiting Admission of Persons Terminated for Drug-Related Criminal Activity

The KCHA prohibits admission to the program of an applicant for three (3) years from the date of termination if a household member has been terminated from federally assisted housing for drug-related criminal activity. However, the KCHA may admit the household if the KCHA determines:

- (1) That the household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the KCHA; or

- (2) That the circumstances leading to termination no longer exist. (For example, the criminal household member has died or is imprisoned.)
- b. A household shall be denied admission if:
  - (1) Any member of the household is subject to a lifetime registration requirement under a State sex offender registration program;
  - (2) Has been convicted of manufacturing or producing methamphetamine on or off the premises.
  - (3) Any member of the household is a perpetrator of domestic violence or a stalker.
- c. Households shall be denied admission for five (5) years after the date of the most recent conviction if any household member is convicted of a drug-related criminal activity, violent criminal activity, other criminal activity which may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; other criminal activity which may threaten the health or safety of the owner, property management staff, or persons performing a contract administration function or responsibility on behalf of the KCHA (including a KCHA employee or a KCHA contractor, subcontractor or agent), or pattern of alcohol abuse. A "pattern" shall be at least three (3) alcohol-related criminal offenses within the five (5) year period prior to application for assistance.
- d. Households with any member of the household who is a perpetrator of domestic violence shall be denied admission indefinitely.
- e. The following are standards to be applied as appropriate, for drug-related criminal activity and other criminal activity concerning denial of admission:
  - (1) The KCHA may determine the use of an illegal drug through a conviction of a drug-related charge.
  - (2) The KCHA shall determine involvement in criminal activity through the conviction for a criminal activity.
  - (3) Any household member includes adults and minors who are on the lease or who are living in the household, but not reported to the KCHA.
  - (4) Currently engaging in illegal use of a drug or other criminal activity shall be defined as a conviction within one year from the date the KCHA discovers the conviction.
  - (5) Reasonable cause shall be determined by a conviction on an illegal use of a drug charge or other criminal activity.
  - (6) There is no time period concerning the conviction of a drug-related charge for manufacturing, production, or distribution of

methamphetamine on the premises of federally assisted housing. Such household members being convicted of this offense will always be denied admission.

- (7) The time period of ineligibility for admission for other drug-related convictions or other criminal activity convictions shall be **five (5) years** from the date of the conviction.
- (8) If the KCHA previously denied admissions for criminal activity. The household shall not be eligible for admission for **five (5) years** from the date of the conviction.
- (9) Evidence of criminal activity shall be defined as conviction of criminal activity.
- (10) There is no time period concerning the household who has a member of the household who is a perpetrator of domestic violence or stalking. Such household will always be denied admission.

## 2. Termination of Assistance

- a. The KCHA shall terminate the assistance of a family if there is a preponderance of evidence that any household member is currently engaged in any illegal use of a drug, has ever been convicted of drug-related criminal activity for manufacture, production or distribution of methamphetamine on the premises of federally assisted housing, is convicted of other drug-related criminal activity, violates the family obligation not to engage in criminal activity or is convicted of alcohol-related offenses in a pattern of at least three (3) convictions within a **two-year period (24 months)**. Other crimes committed while under the influence of alcohol are covered by the criminal activity references in this section and the family obligations.
- b. An incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be construed as a serious or repeated violation of the lease by the victim or threatened victim of that violence and shall not be good cause for terminating the assistance, tenancy, or occupancy rights of the victim of such violence. Criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a member of a tenant/participant's household or any guest or other person under the tenant/participant's control shall not be cause for termination of assistance, tenancy, or occupancy rights if the tenant/participant or an immediate member of the tenant/participant's family is the victim or threatened victim of that domestic violence. This does not limit the authority of the KCHA to:
  - (1) Terminate public housing or voucher assistance to individuals who engage in criminal acts of physical violence against family members or others.



- (2) Terminate public housing or voucher assistance to a tenant/participant for any violation of a lease not premised on the act or acts of violence in question against the tenant or a member of the tenant/participant's household, provided that the public housing agency does not subject an individual who is or has been a victim of domestic violence, dating violence, or stalking to a more demanding standard than other tenants/participants in determining whether to terminate.
    - (3) Terminate public housing or voucher assistance to a tenant if the public housing agency can demonstrate an actual and imminent threat to other tenants/participants or those employed at or providing service to the property or KCHA if that tenant/participant is not evicted or terminated from assistance.
    - (4) Bifurcating Leases – An owner or manager may bifurcate a lease in order to evict, remove, or 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 evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant.
  - c. Upon relocation of the victim of domestic abuse or stalking, the KCHA shall terminate the assistance of the remaining family if the perpetrator of the domestic abuse or stalking remains in the household.
  - d. The standards in section D.1.e. above, shall apply to this section.
3. Use of Criminal Record
  - a. Denial. If a KCHA proposes to deny admission for criminal activity as shown by a criminal record, the KCHA must provide the subject of the record and the applicant with a copy of the criminal record. The KCHA must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with Sec. 982. 554.
  - b. Termination of Assistance. If a KCHA proposes to terminate assistance for criminal activity as shown by a criminal record, the KCHA must notify the household of the proposed action to be based on the information and must provide the subject of the record and the tenant with a copy of the criminal record. The KCHA must give the family an opportunity to dispute the accuracy and relevance of that record in accordance with Sec. 982. 555. All information about a victim of domestic violence or stalking that is provided to the KCHA and utilized for the purpose of terminating the assistance of the perpetrator or of a household who has a household member who is a perpetrator of domestic violence or

stalking shall be maintained confidential pursuant to the Violence Against Women Act

- c. Cost of Obtaining Criminal Record. The KCHA may not pass along to the tenant the costs of a criminal records check.
  - d. Permitted use and disclosure of criminal records/sex offender registration records received by the KCHA may only be used for applicant screening and/or for lease enforcement and termination. A PHA may disclose criminal convictions as follows:
    - (1) To officers or employees of the KCHA, or to authorized representatives of the KCHA who have a job-related need to have access to the information. For example, if the KCHA is seeking to terminate assistance of a Section 8 participant on the basis of criminal activity/sex offender status as shown in criminal conviction records, the records may be disclosed to KCHA employees performing functions related to the termination or to a KCHA hearing officer conducting an administrative grievance hearing concerning the proposed termination.
    - (2) If a KCHA obtains criminal records from a State or local agency showing that a household member has been convicted of a crime/sex offense relevant to applicant screening or tenant lease enforcement or termination, the KCHA must notify the household of the proposed action based on the information obtained. The KCHA must also provide the subject of the record and the applicant or participant a copy of such information before a denial of admission, termination or lease enforcement action on the basis of such information.
  - e. If, at any time during the program participation, the KCHA has a documented reasonable cause (e.g., newspaper articles, credible informants, police reports) to believe that a household member is engaged in drug-related or other criminal activity which would pose a threat to the health, safety, or right to peaceful enjoyment of the premises by other residents or KCHA employees, the KCHA may run a subsequent criminal check of that household member.
4. Consideration of Circumstances
- In determining whether to deny or terminate assistance because of action or failure to act by members of the family:
- a. The KCHA may consider all relevant circumstances such as the seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstance 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.

- b. In determining whether to deny admission or terminate assistance for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the KCHA 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 KCHA may require the applicant or 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.
- c. If the family includes a person with disabilities, the KCHA decision concerning such action is subject to consideration of reasonable accommodation in accordance with 24 CFR part 8.

5. Records Management

- a. All criminal information received will be maintained confidentially and not misused, or improperly disseminated.
- b. All information provided to an owner, manager, or KCHA pursuant to VAWA, including the fact that an individual is a victim of domestic violence, dating violence, or stalking, shall be retained in confidence by an owner, manager, or KCHA, and shall neither be entered into any shared database nor be provided to any related entity, except to the extent that disclosure is requested or consented to in writing by the individual; required for use in an eviction proceeding of an abuser, stalker or perpetrator of domestic violence; or is otherwise required by applicable law.
- c. Such information may be housed in a locked file with access restricted to individuals responsible for screening and determining eligibility and to the Executive Director.
- d. If the applicant is determined to be eligible, the criminal report shall be shredded as soon as the applicant is housed. If the applicant is denied assistance, the criminal record information shall be destroyed immediately upon completion of the hearing or due process procedures and a final decision has been made.
- e. All information received from a drug treatment facility must be maintained confidentially and not be misused or disseminated.

- f. The information must be destroyed either:
  - (1) No later than five (5) business days after the KCHA makes a final decision to admit the person to the HCV Program; or
  - (2) If the KCHA denies admission, the KCHA will destroy the information in a timely manner after the statute of limitations has passed for the individual to file a civil lawsuit.

6. Drug Treatment Facility Information

- a. As needed during the informal review or hearing process the KCHA may seek information from a drug treatment facility to verify that an applicant or participant is participating in or has completed a drug rehabilitation program, or to verify drug-free status.
- b. In such cases the KCHA will utilize a written consent form required by 24 CFR 960.205.
- c. The KCHA is not obligated to request information from drug treatment facilities and is not liable for damages for failure to request or receive the information.
- d. All information received from a drug treatment facility must be maintained confidentially and not be misused or disseminated.
- e. The information must be destroyed either:
  - (1) No later than five (5) business days after the KCHA makes a final decision to admit the person to the HCV Program; or
  - (2) If the KCHA denies admission, the KCHA will destroy the information in a timely manner after the statute of limitations has passed for the individual to file a civil lawsuit.

7. Components of Screening Process

A criminal history report will be requested from the law enforcement agency(ies) for adult members according to the following procedure:

- a. For all applicable household members, the KCHA will submit to a law enforcement agency the name, sex, race, date of birth and social security number.
- b. Based on the identifiers submitted, the law enforcement agency will provide KCHA with any criminal history conviction record information and outstanding warrants that are found on the law enforcement agency

Computerized Criminal History database and the appropriate Crime Information Center.

- c. The law enforcement agency may also search the National Crime Information Center (NCIC) for criminal information. If a record exists, the law enforcement agency will notify KCHA that such information was found, and will provide the KCHA with a copy of the information.
- d. If the person disputes or contests the criminal history report received by KCHA, the KCHA may at this time determine that a fingerprint check is necessary.
- e. In no case will the applicant be charged for the cost of the criminal history checks.

8. Ineligibility Determination

- a. Families determined to be ineligible due to the definition of family, income, or drug-related criminal or violent criminal activity, or a pattern of alcohol abuse, will be notified in writing that they do not qualify for the program. Families will be notified of the right to have an Informal Review.
- b. The Informal Review will be conducted according to regulatory requirements and as outlined further in this Administrative Plan.
- c. If the applicant or household member refuses to supply required information and/or refuses to sign form HUD-9886 or other KCHA release forms, the family will be determined to be ineligible. The informal review process will apply to an applicant family who has been denied assistance on these grounds.

E. SELECTION FROM WAITING LIST

1. Basic Selection Policy

- a. Applicants shall be selected in order of date and time of the initial application with consideration given to the regulations governing income targeting as well as any adopted local preference.
- b. Applicants whose income is greater than thirty percent (30%) of the areas median income may be passed on the waiting list pursuant to the income targeting requirements detailed below.
- c. Applicants who applied earlier than applicants who are eligible for local preferences may be passed on the waiting list.

2. Income Targeting Pursuant to the Quality Housing and Work Responsibility Act

- a. Not less than seventy-five percent (75%) of all new admissions shall be families whose income is below thirty percent (30%) of the area median income. A "new admission" shall be defined as an applicant being offered assistance. (Note: A PHA can reduce its required public housing admission of families with income below 40% of median income in a given fiscal year by admitting more than 75% of extremely low-income.)
- b. A PHA may admit a lower percent of extremely low-income families during a PHA's fiscal year (than otherwise required) if HUD approves the use of such lower percent by the PHA, in accordance with the PHA plan, based on HUD's determination that:
  - (1) The PHA has opened its waiting list for a reasonable time for admission of extremely low-income families residing in the same metropolitan statistical area (MSA) or non-metropolitan county, both inside and outside the PHA jurisdiction;
  - (2) The PHA has provided full public notice of such opening to such families, and has conducted outreach and marketing to such families, including outreach and marketing to extremely low-income families on the Section 8 and public housing waiting lists of other PHAs with jurisdiction in the same MSA or non-metropolitan county;
  - (3) There are not enough extremely low-income families on the PHA's waiting list to fill available slots in the program during any fiscal year for which use of a lower percent is approved by HUD; and
  - (4) Admission of the additional very low-income families other than extremely low-income families to the PHA's tenant-based Voucher program will substantially address worst case housing needs as determined by HUD.
- c. Two (2) or more PHAs in same jurisdiction may elect to be treated as a single PHA for purposes of meeting targeting goals.
- d. If a family initially leases a unit outside the PHA jurisdiction under portability at admission to the Voucher program, such admission shall be counted against the targeting obligation of the initial PHA (unless the receiving PHA absorbs the portable family into the receiving PHA Voucher program from the point of admission).
- e. For further Income Targeting clarification refer to 24 CFR Sec. 982.201.

F. MONITORING OF SELECTION AND LEASING

In compliance with SEMAP requirements, a statistical report is prepared each month to insure that KCHA has complied with current regulations affecting the waiting list and selection as it relates to income requirements, single elderly and non-elderly families, and the local preference selection of families.

G. SPECIAL PURPOSE FUNDING ADMISSIONS

HUD may provide funding to serve a targeted population. When HUD targets funding assistance for a special populace, the KCHA may accept an application and place the applicant on the waiting list even though the waiting list may be closed. Since HUD specifies the special population, there is no limit to the number of admissions except for the limit as defined by HUD in establishing the special population and funding.

#### IV. DETERMINATION OF INCOME, TOTAL TENANT PAYMENT AND FAMILY SHARE

The KCHA will not devise or implement income or rent determination, verification, or other related policies or procedures in a way that discriminates against persons on the basis of race, color, national origin, sex, religion, familial status, and perceived or actual disability.

##### A. ANNUAL INCOME

Annual Income is used to determine whether the family is within the Income Limits. Annual income is the anticipated amounts, monetary or not, that go to, or on behalf of, the family (including temporarily absent head, spouse or co-head), and are received from a source outside the family within the twelve (12) months following certification. All income that is not specifically excluded in the HUD regulations is counted.

Adjusted Income is the Annual Income minus HUD allowable expenses and deductions.

Both Annual and Adjusted Income are used to calculate the amount of the subsidy for Vouchers. In calculating Annual and Adjusted Income, the KCHA must include the income of every member of the household, including those who are temporarily absent. Income of persons who are permanently absent from the household will not be counted.

Income is defined by HUD regulations and is further interpreted in HUD Notices and Memos that must be followed. However, there are policy decisions that are needed in order to assure consistent interpretation of HUD regulations.

The KCHA is required to verify family income, family composition and characteristics, value of assets, and other factors relating to eligibility determinations both before an applicant is issued assistance and annually.

The KCHA may use several methods to verify income and income deductions. Up-front and third-party (independent) verifications will be obtained by the KCHA either electronically or sent by mail to the appropriate agency. To qualify as third-party verification the document(s) must never touch the applicant or tenant's hands.

If third-party written verification is not possible, the KCHA may use third-party oral verification. If third-party verification is not possible, the Review of Documents method of verification may be used. And if that method is not possible, the KCHA may accept self-declaration. When any form of verification other than third-party written is not used, the KCHA must document the file with the reason that another form of verification was used.



## B. INCOME INCLUSIONS

### 1. Income of Temporarily Absent Household Members

In accordance with HUD regulations, the income of the temporarily absent spouse of the head of household will be included in total family income.

In calculating Annual and Adjusted Income, the KCHA must estimate the income of every member of the household, including those who are temporarily absent. Income of persons who are permanently absent from the household will not be counted. Families must report in writing to the KCHA any absence from the household of more than thirty (30) consecutive days and shall report their absence to the owner/landlord, consistent with the lease provisions. Any changes in family composition must be reported in writing to the KCHA within ten (10) calendar days of the change in family composition. Families will be counseled at briefing sessions and re-certification on the effect family composition may have in determining Voucher size and Total Tenant Payment as well as the KCHA's policies for dealing with such changes. At times, situations may arise that result in the temporary or permanent absence of a family member or members from the household. Such situations will be handled in the following manner:

#### 1. Definitions of Temporarily and Permanently Absent

- The KCHA must compute all applicable income of every family member who is on the voucher, 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 hazard 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. The KCHA will evaluate absences from the unit in accordance with this policy.
- Generally an individual who is or is expected to be absent from the assisted unit for 60 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 60 consecutive days is considered permanently absent and no longer a family member.

- An individual may request in writing to have a longer absence approved. KCHA has full discretion of approval, and will make determinations on a case by case basis.

2. Absent of Any Member

- Any member of the household will be considered permanently absent and removed from the lease if s/he is away from the assisted unit for 60 days in a 12 month-period except as otherwise provided in this 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 KCHA indicating that the student has established a separate household or the family declares that the student has established a separate household.
- If the sole member is incarcerated for more than 60 consecutive days, s/he will be considered permanently absent. Any member of the household, other than the sole member will be considered permanently absent if s/he is incarcerated for 60 consecutive days. The rent and other charges must remain current during this period. However, depending on the seriousness of the offense and evidence of criminal activity the member may be prohibited readmission to the program.

3. Absence of Adult

- If neither parent remains in the household nor the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, KCHA will treat that adult as a visitor for the first 30 calendar days. This will be noted as an exception to the KCHA Visitor Policy.
- If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, and the voucher will be transferred to the caretaker.
- If the court has not awarded custody or legal guardianship, but the action is in process, KCHA will secure verification from social services staff or the attorney as to the status.
- KCHA will transfer the voucher to the caretaker, in the absence of a court order, if the caretaker qualifies under the suitability criteria and has been in the assisted unit for more than 30 days and it is reasonable to expect that custody will be granted.
- When KCHA approves a person to reside in the assisted unit as caretaker for the child(ren), the income of the caretaker

should be counted pending a final disposition. KCHA will work with the appropriate service agencies to provide a smooth transition in these cases.

- If a member of the household is subject to a court order that restricts him/her from the home for more than 30 days, the person will be considered permanently absent.
  - If an adult child goes into the military and leaves the household, they will be considered permanently absent.
4. Absences Due to Placement in Foster Care
- If the family includes a child or children temporarily absent from the home due to placement in foster care, the KCHA will determine from the appropriate agency when the child/children will be returned to the home.
  - If the time period is to be greater than 180 days from the date of removal of the child, the family will be required to move to a smaller size unit. If all children are removed from the home permanently, the unit size will be reduced in accordance with the KCHA's occupancy guidelines.
5. Absent Head, Spouse, or Co-head
- An employed head, spouse, or co-head absent from the assisted unit more than 60 consecutive days due to employment will continue to be considered a family member.
6. Individuals Confined for Medical Reasons
- If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, KCHA 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 120 consecutive days, the family member will not be considered permanently absent, as long as rent and other charges remains current.
  - If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated.
7. Return of Permanently Absent Family Members
- The family must request KCHA approval for the return of any adult family members that the KCHA has determined to be permanently absent. The individual is subject to the eligibility

and screening requirements discussed elsewhere in this policy.

8. Reasonable Accommodations/Violence Against Women Act (VAWA)
  - Exceptions will be made for instances related to reasonable accommodations or VAWA.

## 2. Earned Income

Earnings anticipated to be received in the twelve (12) months following the effective date of the certification would be annualized. To annualize income, the KCHA will multiply:

- Hourly income by the number of hours worked in a year;
- Weekly income by 52 weeks, unless it is verified that less weeks will be worked;
- Bi-weekly income by 26 pay-periods;
- Semi-monthly by 24 pay-periods; and
- Monthly by 12 pay-periods.

Where income is seasonal or fluctuates as to hours or rates, such as for teachers, construction workers, farmers or migrant workers, the KCHA will use an average for twelve (12) months based on past income history of the family and such anticipated income that can be verified.

## 3. Temporary or Sporadic Income

Temporary or sporadic income is not counted in determination of annual income. Employment lasting less than thirty (30) days will be considered temporary. Sporadic income includes amounts that are neither reliable nor periodic.

## 4. Cyclical or Seasonal Work

When income varies due to cyclical or seasonal work, and the source of income has not changed from the previous year, the KCHA may rely on the previous year's income to anticipate income for the coming year. Increases in pay rate over that of the previous year would be considered.

When anticipated income cannot be determined for a full twelve (12)-month period, the KCHA will annualize current income and conduct an interim reexamination when income changes.

## 5. Net Income from Business or from Self-Employment

The net income from the operation of a business or self-employment is counted as income. Net income is the amount of business income received less expenses incurred. Deductions from business income can include business vehicle expenses, supplies and materials, staff salary and benefits, depreciation of assets. Any withdrawals of cash from the business will be considered income unless the withdrawal is reimbursements of cash or assets invested in the operation by the family. Expenditures for expansion or amortization of capital indebtedness are not used as deductions from income.

Business expansion includes substantially increasing the size of the business or branching out into adjacent areas that are not part of the original operation. Straight-line depreciation of assets is an allowable expense and can be verified through examination of the income tax forms filed for the business or financial statements. Similarly, the accounting records and financial statements can be used to determine the cash or assets invested in the business. This information can be used to determine whether or not a withdrawal is a reimbursement of investments in the business. If a business is co-owned by someone outside the household, financial statements and income tax returns can provide information to determine the level of net income to be attributed to the family from part ownership of the business.

6. Regular Contributions and Gifts

Regular contributions and gifts received from persons outside the household are counted as income for Tenant Rent calculation purposes. This includes rent and utility payments paid on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts.

For zero income families, the KCHA may interview the tenant and review his or her current bills and receipts every sixty (60) days to determine the amounts paid for known household expenses and the sources of regular income, including in-kind contributions. This will be determined via a zero income questionnaire.

Third-party verification of income from regular contributions and gifts will be obtained whenever possible. If the party providing regular contributions refused to verify the information, the KCHA will document the file. In this case, the head of household or member receiving the income will be asked to complete a Declaration of Regular Contributions.

7. Financial Assistance to Single Eligible Student of Higher Education

Financial assistance included in annual income is any financial assistance that a student receives in excess of tuition (e.g., athletic and academic scholarships) and that the student receives (1) under the Higher Education Act, (2) from private sources (3) from an institution of higher education as defined by the Higher Education Act of 1965.

Treatment of financial assistance received by an eligible student of higher education is included as follows:

Eligible single student, age 23 or younger, not a veteran, no dependent child (meets requirements of 24 CFR 5.612), the KCHA shall count as income all financial assistance in excess of tuition (except student loans).

The KCHA will exclude all student financial assistance in determining income for the following:

- Eligible single student, over age 23 with dependent child
- Eligible single student, age 24 or older
- Student of higher education (regardless of age), living in parental household

8. Alimony and Child Support

Alimony and child support payments are counted as income for Tenant Rent calculation purposes. The amount awarded is counted unless the tenant can verify that they are not receiving that amount. Third-party verification of income from these sources is obtained by contacting the former spouse and/or the Child Support Recovery Unit. If the verification is not received within a reasonable amount of time, the KCHA will allow the family to submit at least the last three (3) months of child support check stubs and/or complete a self-declaration statement.

9. Lump Sum Payments

Lump-sum payments received due to delayed start of periodic payments (e.g., unemployment, TANF, or child support) except Social Security and Supplemental Security Income benefits (which are not counted as income), whether due to disputes or processing problems, are counted as income in the following manner:

- a. If the lump sum amount is reported within thirty (30) days of the date it was received, the lump sum amount will not be taken into account prior to the next re-certification. If, at the next annual re-certification, the lump sum amount has been converted to an asset (i.e., placed in a savings account or invested), it will be treated like any other asset.

- b. If the lump sum is not reported within thirty (30) days, the increased income will be handled retroactively by adding the income to the annual income that was in effect when the payment was received, as long as the date is not prior to program participation. The Total Tenant Payment will be recalculated and compared to the previous Total Tenant Payment. The family has the choice of paying this "retroactive" rent to the KCHA in a lump sum or entering into a Repayment Agreement with the KCHA. The family officially owes this money to the KCHA whether or not the family chooses to continue its participation in the Section 8 program.

Attorney fees may be deducted from lump-sum payments when the services were necessary to recover the lump-sum settlement and when the recovery does not include additional monies to pay the attorney fees.

Social Security and Supplemental Security Income benefits that are received in a lump sum or prospective monthly amounts are excluded from annual income. The lump sum payment may be treated as an asset.

10. Income from Assets

a. Assets Valued Under \$5000

When assets owned by any family member (including minors) have a combined cash value of less than \$5,000, actual income received from the asset(s) is counted as income. (An example is checking and savings accounts.) In determining the value of checking accounts the KCHA will use the lesser of the current balance or the average daily balance of the account for the most recent past three (3) months. Anticipated interest will be determined by multiplying the value of the checking account by the annual interest rate.

b. Assets Valued Over \$5,000

When assets owned by any family member (including minors) have a combined cash value of more than \$5,000 the KCHA will use the greater of actual income received from the asset(s) or imputed income using the HUD passbook rate.

c. Assets Disposed of for Less than Fair Market Value

The KCHA will count as an asset the difference between the market value and the actual amount received for assets disposed of for less than market value for two (2) years from date of disposition. An imputed income may be calculated if all assets total more than \$5,000.

d. Contributions to Retirement Funds

While an individual is employed, only the amount the family can withdraw without retiring or terminating employment is included as assets. After retirement or termination of employment, any amount the employee elects to receive, as a lump sum is included in income.

11. Military (Armed Forces) Pay

The Military Pay of the head of household, spouse or co-head is included in annual income. All regular pay, special pay and allowances of member of the military will be included in income (EXCEPTION: Special hazardous duty pay for a family member exposed to hostile fire is excluded.)

12. Public Assistance

Public assistance includes:

- Temporary Assistance to Needy Families (TANF); and
- General Assistance.

Special calculations must be made for benefits received in “as paid” state or local programs.

“As paid” programs are those in which the family receives a specific amount for shelter and utilities and the amount is adjusted based upon the actual amount the family pays for shelter and utilities.

In “as paid” programs, the amount of welfare assistance income shall consist of:

- The amount of the grant exclusive of the amount specifically designated for shelter and utilities; plus
- 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 counted, as income is the actual amount received.

13. Imputed Welfare Income

The KCHA will not reduce a family’s contribution rent if the family’s welfare benefits were reduced due to:

- a. Welfare fraud; or



- b. Failure to fulfill the Welfare Department's economic self-sufficiency or work.

Imputed Welfare income must be calculated if the Welfare Agency verifies in writing that a family has been sanctioned for one of the two reasons above. Under these circumstances, the KCHA will not reduce the total tenant payment for the family. The amount of the sanction in welfare benefits is identified as imputed welfare income. The amount of the imputed welfare income plus other income received by the family is used to calculate the total tenant payment.

When new income to the household exceeds the imputed welfare income, the imputed welfare income is no longer considered in the determination of annual income.

The family will be offered an opportunity for an informal hearing. The KCHA will determine through third-party written verification why the benefits were reduced or suspended before adjusting the income and rent. If welfare benefits expired and program requirements were met, the family income will be reduced to determine rent.

#### 14. Payments in Lieu of Earnings

When payments in lieu of earnings cannot be anticipated for the twelve (12) months following examination, annualize the payments in lieu of earnings and conduct an interim recertification when income changes. Examples of payments in lieu of earnings may include:

- Unemployment;
- Disability payment (unless it is a lump sum payment);
- Workers' Compensation (unless it is a lump sum payment); and
- Severance Pay (unless it is a lump sum payment).

Lump-sum health and accident insurance payments and Workers' Compensation are not counted as income.

#### 15. Periodic Payments and Allowances

The full amount of periodic amounts received from:

- Social Security;
- Supplemental Security Income;
- Annuities;

- Insurance Policies;
- Retirement Funds;
- Pensions;
- Disability or Death Benefits;
- Alimony or Spousal Support;
- Child Support;
- Other Types of Periodic Receipts.

The withdrawal of cash from an investment that is received as periodic payments (i.e. 401K, IRA) should be counted as income unless the family can document and the KCHA verifies that amounts withdrawn are reimbursement of amounts invested. When a family makes a withdrawal from an account in which it has made an investment (such as an annuity or IRA), the withdrawals count as income only after the amount invested has been totally paid out.

If benefits (such as Social Security or Veteran's benefits) are reduced due to a prior overpayment, use the actual amount of the current allocation (before withholding for medical premiums).

If benefits are reduced due to other withholding, such as an IRS garnishment or child support garnishment, use the full award amount.

#### 16. Income of Dependents

A dependent is a family member who is under 18 years of age, is disabled (regardless of age), or is a full-time student (regardless of age).

The head of household, spouse or co-head, foster-child, or live-in aide are never dependents.

Benefits and non-earned income of minors is counted in determining annual income. Earned income of minors is not counted.

Count only the first \$480 of earned income of full-time students age 18 and older who are not the head of household, spouse or co-head.

Count all non-earned income of full-time students except for financial assistance of dependent students of higher education.

Count all income (earned and non-earned) of the head of household, spouse or co-head, even if he/she is a full-time student or a minor.

#### 17. Income of a Live-in Aide

The income of a live-in aide is excluded from income provided that the person meets the live-in aide criteria established by HUD.

A live-in aide is a person who resides with one or more elderly or near elderly persons or persons with a disability 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.

This definition does not automatically exclude relatives. Husbands or wives for example may provide attendant care for spouses would not have their income excluded since they would be living in the unit and are legally responsible for support. An adult son, daughter or other relative would have their income excluded if they can demonstrate that they otherwise would be living elsewhere. Verification would involve a determination regarding whether the person previously lived outside the unit and moved back solely to take care of the family member, and has not resided in the unit for at least six (6) months.

Verification of need for live-in aide services should be obtained from qualified medical, health or social services/rehabilitation specialists. Verification of legal requirement for support includes marriage certificates, court ordered guardianship, or other legal documents requiring the attendant to be legally responsible for support of the person they care for. The KCHA would have to verify residency of the attendant as being elsewhere through prior landlords, rental agreements or leases, rental receipts, utility bills in the attendant's name for another address, driver's license or other government issued ID, etc.

Live-in aides are not remaining members of a resident family and must vacate the unit if the person they care for vacates. Also, live-in attendants should have their own bedroom and may have family members live with them provided that HUD will not increase the subsidy by the cost of additional bedrooms and the presence of the live-in aide's family does not cause overcrowding.

#### C. AVERAGING INCOME

There are two ways to calculate income when the income cannot reasonably be anticipated for a full year:

1. Annualize current income (and subsequently conduct an interim reexamination if income changes); or
2. Average known sources of variable income to estimate an annual income (no interim adjustment is required if income remains as predicted).

Income from the previous year may be analyzed to determine the amount of anticipated income when future income cannot be clearly verified. If, by averaging, a reasonable estimate can be made, that estimate will be used to anticipate annual income over the next twelve (12) months, instead of changing the HAP every month as the income fluctuates.

#### D. FEDERALLY MANDATED INCOME EXCLUSIONS

Some amounts are prohibited from being included in a family's income for rent determination purposes. These amounts, called exclusions, are not part of Annual Income.

Excluded income is reported on form HUD-50058.

The KCHA must obtain verification for income exclusion if, without that verification, KCHA would not be able to determine whether or not the income is to be excluded from Annual Income. Depending on the circumstances, any or all of the following may need to be verified:

- Source of excluded income;
- Circumstances that qualify a family member's income to be excluded; or
- The amount of the exclusion.

##### 1. Wages of Family Members Under Age 18

The full amount of income from employment of children (including foster children) under the age of 18 (excluding the head of household, spouse of head of household, or co-head).

##### 2. Earnings in Excess of \$480 for Full-Time Students Over Age 18 (except Head of Household, spouse or co-head)

The first \$480 of earned income of each full-time student 18 years old or older (excluding the Head of Household, spouse or co-head) earned is counted in calculation of Annual Income.

3. Refunds or Rebates of Property Tax on Home

Amounts received by a family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit are excluded in the calculation of Annual Income.

4. All student financial assistance for:

- Eligible single student, over age 23 with dependent child
- Eligible single student, age 24 or older
- Student of higher education (regardless), living in parental household

5. Lump-Sum Additions to Family Assets

Lump-sum additions to family assets, such as inheritances, health and accident insurance, worker's compensation, capital gains and settlements for personal or property losses are excluded in the calculation of Annual Income.

6. Lump-Sum Payments of Deferred Benefits

Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts are excluded in the calculation of Annual Income.

7. Amounts Set Aside for Use under PASS

Amounts received by a person with a disability that are disregarded for a limited time for purposes of SSI eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) are excluded in the calculation of Annual Income.

8. Temporary, Non-Recurring, Sporadic Income

Temporary, non-recurring or sporadic income (including gifts) is excluded in the calculation of Annual Income.

Sporadic income is that which is not received on a regular basis and which cannot be counted on continuing.

9. Medical Expenses

Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member are excluded in the calculation of Annual Income.

10. Income of Live-In Aides

All income of a live-in aide is excluded in determining annual income.

11. Adoption Assistance Payments in Excess of \$480 per Child

Count as Annual Income the first \$480 per child of adoption assistance payments.

12. Payments to Keep Developmentally Disabled Family Members at Home

An amount paid by a State or local agency to a family with a member who has a developmental disability living at home is excluded in the calculation of Annual Income.

13. Payments Received for the Care of Foster Children or Adults

Payments received for the care of foster children or foster adults are excluded in the calculation of Annual Income. Foster Adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone.

14. Armed Forces Hostile Fire Pay

The special pay to a family member serving in the Armed Forces who is exposed to hostile fire is excluded in the calculation of Annual Income. All other pay to household members who are serving in the Armed Forces is included in income.

15. Foreign Government Reparation Payments

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 are excluded in the calculation of Annual Income.

16. Earnings and Benefits from Employment Training Programs Funded by HUD

Training programs funded by HUD will have goals and objectives. This is not to be confused with employment by the KCHA.

17. Incremental Earnings and Benefits from Participation in Qualifying State and Local Employment Programs

Incremental earnings and benefits received by 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 are excluded in the calculation of Annual Income.

A qualified training program is one that is part of a State or local employment-training program and has clear goals and objectives. This would include programs that have the goal of assisting participants in obtaining employment skills, and are authorized or funded by Federal, State or local law, or operated by a public agency. These include programs through Department of Labor, Employment Training Administration, and Welfare-to-Work Grants.

Amounts excluded by this provision are excluded only for the period during which the family member participates in the employment-training program.

18. Reimbursement for Out of Pocket Expenses While Attending a Public Assisted Training Program

Amounts received by participants in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program are excluded in the calculation of Annual Income.

19. Resident Service Stipend not to Exceed \$200 per Month for Services to the KCHA

Amount received under a resident service stipend are excluded in the calculation of Annual Income.

A resident service stipend is a modest amount, not to exceed \$200 per month, received by a resident for performing a service for the KCHA 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, ground maintenance, resident initiatives coordination, and serving as a member of the KCHA's governing board.

No resident may receive more than one such stipend during the same period of time.

The Public Housing Reform Act provides that the governing board of KCHA must generally contain at least one member who is directly assisted by the KCHA. To support and facilitate implementation of this new statutory

requirement, HUD has clarified that the resident service stipend exclusion covers amounts received by residents who serve on the KCHA governing board.

20. The value of the allotment provided to an individual under the Food Stamp Act.
21. Payments to volunteers under the Domestic Volunteer Services Act which includes, but is not limited to:
  - RSVP;
  - Foster Grandparents;
  - Senior Companion Program;
  - VISTA;
  - Peace Corps;
  - Service Learning Program;
  - Special Volunteer Programs;
  - Small Business Administration programs such as National Volunteer Program to Assist Small Business and Promote Volunteer Service to Persons with Business Experience;
  - Service Corps of Retired Executives (SCORE); or
  - Active Corps of Executives.
22. The first \$2000 of payments received under the Alaska Native Claims Settlement Act.
23. Income derived from certain sub-marginal land of the U.S. that is held in trust for certain Indian tribes.
24. Payments or allowances under Department of Health and Human Services Low-Income Home Energy Assistance Program (LIHEAP).
25. Payments received under programs funded in whole or in part under the Job Training Partnership Act, now known as Workforce Investment Act.
26. Income derived from the disposition of funds of the Grand River Band of the Ottawa Indians.
27. The first \$2000 of per capita shares from judgment funds awarded by the Indian Claims Commission or the Court of Claims or from funds held in trust for an Indian tribe by the Secretary of the Interior.
28. The full amount of Federal scholarships funded under Title IV of the Higher Education Act of 1965, including awards under Federal work study programs or under the Bureau of Indian Affairs student assistance program.



29. Payments received from programs funded under Title V of the Older Americans Act of 1965 which includes, but is not limited to:
  - Senior Community Services Employment Program;
  - National Caucus Center on the Black Aged;
  - National Urban League;
  - Association National Pro Personas Mayors;
  - National Council on Senior Citizens; or
  - Green Thumb.
30. Payments received on or after January 1, 1989 from the Agent Orange Settlement Fund or any fund established pursuant to the settlement in the Agent Orange product liability legislation.
31. Payments received under the Maine Indian Claims Settlement Act of 1980.
32. Child care arranged for or provided under the Child Care and Developmental Block Grant Act or any amount received for such care or reimbursement for costs incurred in such care.
33. Federal and State Earned Income Tax Credit refund payment.
34. Payments by the Indian Claims Commission to the Confederate Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation.
35. The first \$2000 of income received by an individual Indian derived from interests or trusts or restricted land.
36. Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990.
37. Any allowance paid under provisions of 38 U.S.C 1805 to a child suffering from spina bifida who is the child of a Vietnam Veteran.
38. Any amount of crime victim compensation that the applicant (under the Victims of Crime Act) receives 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.

39. An amount earned by temporary Census employees for determining income in the Department's assisted housing programs. Terms of employment may not exceed 180 days for the purposes of the exclusion.

E. SELF-SUFFICIENCY INCENTIVE FOR PERSONS WITH DISABILITIES (EARNED INCOME DISALLOWANCE)

1. This disallowance of an increase in earned income only applies to families currently receiving housing assistance. In order to qualify the family is one:
  - a. 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; or
  - b. 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
  - c. 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 (6) 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. The TANF program includes formula-driven maintenance assistance and such benefits and services as one-time payments; wage subsidies and transportation assistance-provided that the total amount over a six (6)-month period is at least \$500; or
  - d. Previously unemployed includes a person with disabilities who has earned, in the twelve (12) months previous to employment, no more than would be received for ten (10) hours a week for fifty (50) hours per year at one established minimum wage.

Note: Receipt of Food Stamps and/or Medicaid is not part of the TANF program. If no TANF assistance is provided as listed above, the family will not qualify for the earned income disallowance under TANF provisions but may qualify under the remaining criteria. The KCHA will verify receipt of benefit or services other than monthly maintenance with the TANF provider if the family indicates that their eligibility for the earned income disallowance is based on other assistance under TANF.

Incremental increases in earned income are excluded fully for the first twelve (12)-month period and 50% excluded for the second twelve (12)-month period. The KCHA will maintain a log for each individual showing, if applicable,

earning and benefits from qualified training programs, incremental earnings from increased employment for the first twelve (12)-month period and the second twelve (12)-month period. Since the total window of opportunity for the earned income disallowance extends over forty-eight (48) months, the log will adequately reflect all periods of employment and non-employment, to assure the family member receives the benefit of each full twelve (12)-month period.

2. The disallowance of increase in earned income will be calculated as follows:

- a. During the cumulative twelve (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 KCHA must exclude from annual income, of a qualified family, any increase in income of the disabled family member as a result of employment, over prior income of that family member.

Example: The disabled family member receives SSI of \$500 per month. The disabled family member starts a job as a greeter at a local retail store for \$5.00 per hour, 20 hours per week. Assume for this example the SSI remains the same.

The first 12 months the income is as follows:

SSI: \$500 x 12	'	\$6,000
Work: \$5.00/hr x 20 hrs x 52 weeks	'	<u>\$5,200*</u>
		\$6,000 Gross Annual Income

\*this amount is excluded for 12 months.

- b. Phase-In Period. During the second cumulative twelve (12) month period after the date a family 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 KCHA must exclude from the annual income of a qualified family member fifty percent (50%) of any increase in income of such family member as a result of employment over income of the family member prior to the beginning of such employment.

The second 12 months the income is as follows:

SSI: \$550 x 12	'	\$6,600
Work: \$5.50/hr x 25 hrs x 52 weeks	'	\$7,150
		Excluded 50% - <u>\$3,575</u>

\$10,175 Gross Annual Income

- c. Maximum four-year disallowance. The disallowance of increased earned income of an individual family member who is a person with disabilities as provided in a. and b., above, is limited to a lifetime forty-eight (48) month period. The disallowance applies for a cumulative twelve (12) month period for the fifty percent (50%) exclusion for the second twelve (12)-month period.
- d. This exclusion does not apply to admissions.

Because only a person with disabilities is eligible for the earned income disallowance under the Housing Choice Voucher Program, the KCHA will discontinue the allowance for a qualifying person with disabilities who is no longer considered disabled at their next regularly scheduled recertification. A decision regarding “no longer disabled” will be verified through the Social Security Administration for SSI and SDI recipients or from a medical, health, or rehabilitation professional for those not receiving publicly funded benefits.

#### F. ASSETS

The KCHA will determine the net cash value of each asset by deducting reasonable costs that would be incurred to convert the asset to cash from the market or face value of the asset.

Reasonable costs include, but are not limited to: penalties for early withdrawal of funds from CD's, Money Market accounts, IRAs, annuities, etc.; the cost basis plus commissions and fees for stocks, bonds and other capital investments; appraisal fees, realtor commissions, closing costs, repair costs, if applicable, for real property; penalty fees for early withdrawal of IRA's, pensions and annuities.

If assets are held jointly in an “and” or an “or” account, the full value of the asset less any reasonable costs will be counted unless the family member can demonstrate that their access to the account is legally restricted. The KCHA must be able to verify the restriction.

Necessary items of personal property are not counted as assets. These include but are not limited to: clothing; furniture, personal automobiles, computers and related equipment for personal but not business use.

Assets include, but are not limited to trusts (only if a family member has access or control of the trust), joint accounts, investments, CDs, IRAs, Keogh, real or personal property or

other annuities to which the family member has access even if penalties would be imposed for early withdrawal.

In determining the net cash value of assets, the KCHA will treat assets as follows:

1. Trusts

Principal from a trust is not counted as an asset if the trust is not revocable by, or under the control of, any member of the family, so long as the fund continues to be held in trust. Any distributions are considered to be part of annual income. A lump sum distribution in total or in part will be added to all other income and divided by twelve (12) to obtain the gross monthly income. Verification of trust provisions should be contained in the original trust documents. If the documents cannot be obtained, verification should be obtained from the trustee (an individual or financial institution).

If a family sets up an irrevocable trust for the benefit of another person outside of the household, the KCHA must determine whether or not the value of the trust is less than the fair market value of the assets contained therein had the family retained the asset. If that is the case, the fair market value less reasonable costs must be determined and the net value of the asset included in total assets. Any income the family receives from this trust will be included in annual income. Nominal amounts set aside in trust for or donated to charitable organizations up to \$1000.00 will not be considered assets disposed of for less than fair market value.

2. Joint Ownership

For joint ownership of assets, the KCHA must determine the percentage of ownership attributable to the family member. Documents that may provide this information include deeds, tax returns, ownership papers, and financial institution records. These types of documents should, if applicable to the asset, describe whether the family member has full or restricted access to the asset. If restricted, the KCHA will use only that portion of the asset available to the family member.

3. Investments

The family must maintain the original copies of receipts for purchases of stocks, bonds, etc. Another source is original periodic statements from brokers that reflect the cost basis of any investment holding which are liquidated. This information will provide the basis for determining reimbursement for amounts invested.

#### 4. Retirement Benefits (CDs, IRAs, Keogh)

Retirement/pension accounts, while the household member is employed, are counted as assets only if there is access to cash from the account while employed. Similarly, if funds are held in the account with the principal restricted from access, only distributions from the fund are counted as income.

#### 5. Checking and Savings Accounts

Checking and savings accounts are also considered as assets. The total amount in savings will be considered an asset unless the account is specifically designated under a plan for self-sufficiency for a person with a disability under Social Security Administration guidelines. Checking accounts are also assets under HUD guidelines; however, since most checking accounts are used primarily as a pass-through for receipt of income and payment of monthly household expenses, only the amount in the checking account in excess of \$1000.00 will be considered to be an asset. The KCHA may grant an exception to this threshold if the family states and the KCHA can verify that regular household expenses such as rent, utilities, food, etc., exceed that threshold. Verification of these accounts will be made first, from a bank verification form completed by the bank. If the bank charges either the resident or KCHA more than \$5.00 per Bank Statement, then the KCHA will use bank statements and passbooks. Bank statements for at least six (6) consecutive months will be requested for verification of balances in checking accounts. For threshold exceptions, original billings, rental receipts and related documents will be required.

Note: The interest from an interest bearing checking account is considered as income.

#### 6. Annuities

Annuities may provide for either fixed or variable payment. For variable payments, the KCHA will evaluate historical information to determine the approximate anticipated payment amount for the next twelve (12) month period. This annualized income may be adjusted based on significant changes from the anticipated income. The holder of an annuity may withdraw the funds at any time before maturity but will pay a penalty for early withdrawal. Verification of the penalty amount may be obtained from the company holding the annuity and should be deducted from the total distribution before determining asset or income amounts. Monthly or periodic regular annuity payments are counted, as income while the principal of the annuity remains an asset until fully liquidated. Verification of any annuity expenses will be obtained from the annuity provider.

7. Net Cash Value of Assets Disposed of for Less than Fair Market Value for 2 Years from Date of Disposition

Reasonable costs include, but are not limited to: penalties for early withdrawal of funds from CD's, Money Market accounts, IRAs, annuities, etc.; the cost basis plus commissions and fees for stocks, bonds and other capital investments; appraisal fees, realtor commissions, closing costs, repair costs, if applicable, for real property; penalty fees for early withdrawal of IRA's, pensions and annuities.

If assets are held jointly in an "and" or an "or" account, the full value of the asset less any reasonable costs will be counted unless the family member can demonstrate that their access to the account is legally restricted. The KCHA must be able to verify the restriction.

Necessary items of personal property are not counted as assets. These include but are not limited to: clothing; furniture, personal automobiles, computers and related equipment for personal but not business use.

8. Lump Sum Additions

Lump sum additions such as inheritances, insurance payments (including payments under health and accident insurance and Workers' Compensation, except those portions which are reimbursement for expenses paid out by the family or otherwise excluded by HUD regulation), capital gains and settlement for personal or property losses are counted as assets whether or not they are placed in savings or other investment vehicles. The KCHA will verify payments of inheritances through the executor; health, accident and Workers' Compensation payments through the provider; capital gains through the broker, original 1099s or tax returns; and settlements for personal or property losses through the insurer.

Lump sum payments of \$500 or less will not be included in the calculation of assets.

G. HUD REQUIRED DEDUCTIONS

HUD has five (5) allowable deductions from annual income:

1. Dependent Allowance: \$480 each for family members (other than the head, spouse or co-head) who are minors (including children who are adopted), and for family members who are eighteen (18) and older who are full-time

students or who are disabled (foster children, foster adults, and children of live-in aides are not entitled to this deduction).

2. Elderly/Disabled Allowance: \$400 per family for families whose head, spouse or co-head is 62 or over or disabled.
3. Allowable Medical Expenses: Deducted for all family members of an eligible elderly/disabled family.

IRS publication 502 will be used as guidance where questions arise as to an item's eligibility. This publication provides a complete listing and description of allowable medical and dental expenses that can be included as medical deductions. Where an expense item can be treated as either a medical or a disability assistance expense the KCHA will calculate the expenses both ways and give the family the greater deduction.

The KCHA will advise all families at each certification/recertification that they may report any extraordinary one-time nonrecurring medical or disability expense cost between annual recertification and request an interim recertification.

The KCHA will include the following as a standard medical expense deduction when determining the family's medical expenses deduction:

- the amount of un-reimbursed out-of-pocket expenses for prescription drugs
- any premiums incurred for a Medicare prescription drug plan

Standard medical deduction is the sum of allowable medical deductions that exceed three (3%) percent of annual income.

4. Allowable Disability Assistance Expenses: Deducted for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the disabled person or another adult family member to work.

Disability assistance expenses are those reasonable expenses that are anticipated during the period for which annual income is computed for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled family member) to be employed. These expenses may not be paid to a member of the family nor reimbursed by an outside source.

The KCHA must determine what is "reasonable" based on local conditions and



costs as well as whether the expenses are directly linked to enabling the family member to work. Reasonable attendant care costs for the locality should be verified through a local social services agency which handles attendant care needs, or an Independent Living Center that assists families in matching attendants with disabled clients. In determining the reasonable cost for equipment, special apparatus or accessibility modifications, the family should provide estimates of costs for the KCHAs use in evaluating what is “reasonable”.

Attendant care includes the actual cost of providing an attendant to care for a disabled person either in the home or in the work place based on local standards for hourly pay or salary. Equipment may include but not be limited to providing a wheelchair (manual or electric) to allow the disabled individual the mobility to go from home to place of employment or to facilitate care in the home, ramps to provide access to and from the unit, modifications to a vehicle or special equipment to enable a blind individual to read or type, but only if this enables the disabled person or other family member to work, any other type of special equipment needed for mobility if the use thereof is demonstrated to be employment related for the disabled person or another family member. The amount allowed is limited to the amount that exceeds 3% of gross family income and does not exceed the amount earned as a result of the expense.

The KCHA must be able to verify that there is a direct link between the disability assistance expenses claimed by the family and a family member (including the disabled family member) going to work. This will generally involve determining whether the employed family member was previously employed.

If more than one family member is enabled to work as a result of the incurring of disability assistance expenses, the KCHA will verify the employment and combine the incomes of all working family members to establish the cap by which the expenditures are limited.

In some cases, purchased equipment, a computer with adaptation devices for the disabled individual, for example, will not be used exclusively for employment purposes. In such case, the KCHA will require the family to certify as to the percentage of the time the equipment is used strictly for employment purposes and prorate the expense.

Example: A computer is purchased for the home and is used by the disabled person to perform medical billing or transcription. The disabled person

certifies that 60% of the computer use is strictly related to the employment and 40% for other personal use. The cost of the computer, peripheral equipment (printer, software, etc) and special adaptive devices is verified by original invoices and receipts to be \$2,400. The KCHA would allow \$1440 as the disability assistance expense deduction provided that the income from the employment use of the equipment exceeds the expense cap.

If both childcare and disability expenses are needed to enable a person to work, the KCHA will use the same employment income to justify the childcare allowance and the disability assistance allowance.

5. Childcare Expenses: Deducted for the care of children, including foster children, under thirteen (13) years of age when childcare is necessary to allow an adult member to work, attend school, or actively seek employment.

The following standards are the criteria for allowing childcare expenses as a deduction:

- a. Childcare to work: The maximum childcare allowed would be based on the amount earned by the person enabled to work. The "person enabled to work" is the adult member of the household who earns the least amount of income from employment. The childcare deduction may not exceed the amount of income earned by the person enabled to work.
- b. Childcare for school: The KCHA will compare the number of hours the family member is attending school and base the reasonableness standard on the number of hours that the family member is attending school (with the addition of one hour travel time to and from school) versus the number of hours claimed for childcare. The number of hours for which the childcare deduction is allowed shall not exceed the school and travel time.
- c. Childcare to seek employment: The deduction for childcare to seek employment must not exceed the Annual Adjusted Income of the family member seeking employment. The deduction does not include transportation costs, or other expenses incurred, and are limited to one year per individual.

To claim the deduction, verification from the childcare provider must include the name, address, and phone number of the company or individual childcare provider, the names of the children being cared for, the number of hours for which childcare is provided, the rate of pay, and

the typical yearly amount paid (taking into account school and vacation periods).

Verification from the job seeker must include documentation from an employment service agency and/or written verifications of interviews from potential employers.

Childcare expenses must be “reasonable” and may not exceed the amount of employment income that is included in annual income. The KCHA will make a determination as to what is a reasonable rate for childcare based on local conditions and rates. The KCHA will obtain information from the social services agency that certifies childcare providers, day care centers, federally funded after school programs, etc., and determine a scale of reasonable costs. If it is determined that there is a significant difference between in-home care and day care center charges, the KCHA will develop a separate scale for each.

If the family has school age children who require care only before and/or after school hours, the KCHA will consider payment for before and/or after school activities to be a reasonable expense in lieu of individual childcare.

At annual certification the KCHA will determine the total anticipated childcare expense for the employed family members (including increases for care need during school breaks and summer vacations for school age children) and average the amount over twelve (12) months. Should there be a significant variation from the estimated amount the family may request an interim certification adjustment.

If childcare is required to allow one or more family members to be employed, the amount of the childcare expense may not exceed the total of earned income received by all family members. The amount of childcare expenditure must be reasonable if the purpose of the childcare is to allow a family member to actively seek employment or to further his or her education.

To qualify for childcare deductions under the provision of actively seeking employment, the family member may be a participant in an official job search program or may simply demonstrate independent job search activities. In either case, in order to verify the time spent in seeking employment, the KCHA will require the family to maintain a log that reflects the following:

- The date and time of departure from home (including time needed to drop off children for childcare, if provided outside the home);
- The name and location of the prospective employer, unemployment office or employment agency;

- The name of the person(s) contacted and telephone number;
- The length of time for completion of the application, the interview, testing or other job search activity;
- The time the children are picked up and the time arrived at home;
- The name, address, telephone number and social security number of the childcare provider; and
- The total amount paid for the childcare.

If multiple applications or interviews are held consecutively or on the same day, the above information should be provided for each prospective employer or agency. The KCHA will use this information to verify the contacts and the eligibility of childcare expenses. Since job search activities may be irregular and not easily anticipated, the KCHA may attempt a limited inclusion at the annual certification and conduct an interim examination after some actual expenditures have been incurred. In many instances, job search periods will be of limited duration, but in some cases the job search period may be extended, especially if the type of employment sought is limited in availability, employment opportunities of any kind are scarce or the job skills needed are unusual.

To qualify for childcare deductions under the provision of furthering education, the family member must demonstrate that they are enrolled in some accredited or approved educational or training program. While the type of educational effort may vary widely and be either full-time or part-time, evidence of regular participation will be required and verified by the KCHA. Furthering education can include but is not limited to; completing high school or equivalency (GED), trade school, Community or Junior College, four-year College, technical schools, ESL or basic education classes, apprenticeship programs, certificate programs, clerical school and even independent study, if the family member must access on-line educational programs out of the home. The family member must provide and the KCHA verifies information on the type of educational program, the number of units or hours of participation, the name of the educational institution or training facility. The KCHA will allow childcare expense coverage to include pick-up and drop-off of children at the provider's location. The KCHA will also evaluate expenses which may exceed the norm if childcare must be provided evenings, nights or week-ends for either educational or employment purposes.

The KCHA will review the work hours or educational hours to assure that the combined employment or education hours plus pick-up/drop-off times are within a reasonable timeframe (generally determined to be no more than one hour before or after scheduled work hours or class times). Exceptions may be made for overtime, special seminars or testing, providing the KCHA can verify the extended

times.

Childcare expenses may be divided between two households in cases of split custody. If only one custodian is an assisted family, the cost of childcare will be pro-rated based on the percentage paid by each custodial parent. The cap on eligibility for childcare expenses allowed the assisted family would still be based on the earned income limitation.

One or more family members can engage in qualifying activities for childcare purposes as long as the limitations of reasonable expenses for job search and education and expenses not exceeding earned income for employment are applied.

The deduction for childcare is not given if an agency or person outside the household reimburses the expenses.

#### H. MINIMUM RENT

The minimum rent for Section 8 participants is \$50.00. All Voucher families will contribute the highest of thirty percent (30%) of monthly-adjusted income, ten percent (10%) of monthly gross income, or the minimum rent toward the rent plus any rent above the applicable Payment Standard.

1. The minimum rent requirement may be waived under certain circumstances. Financial hardship status is to be granted immediately for ninety (90) days in the event of the following:
  - a. The family has lost eligibility or is awaiting an eligibility determination to receive federal, state or local assistance, including a family having a non-citizen household member lawfully admitted for permanent residence and who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996;
  - b. The family income has decreased due to changed circumstances such as separation, divorce, and abandonment;
  - c. One or more family members have lost employment;
  - d. The family would be evicted as a result of imposing the minimum rent requirement;
  - e. There has been a death in the family; or
  - f. There are other hardship situations determined by the KCHA on a case-by-case basis, i.e. alimony, child support, etc.

Financial hardship exemption only applies to payment of minimum rent - not to rent based on the statutory formula for determining the Total Tenant Payment (TTP).

2. If tenant initiates a request for a hardship exemption that the KCHA determines is temporary in nature:
  - a. If the hardship is determined to be temporary, minimum rent may be suspended; during the ninety (90) day period beginning on the day the request is made. At the end of the ninety (90) day period, the minimum rent is reinstated retroactively to the date of suspension and the HAP is again adjusted.
  - b. In the case of a temporary hardship, the KCHA will allow the family a maximum of six (6) months to make payment of any delinquent minimum rent payments accrued during the suspension period. However, the family must execute a Repayment Agreement.
  - c. If the hardship is subsequently determined to be long-term, the KCHA will retroactively exempt residents from the minimum rent requirement for the ninety (90)-day period.
  - d. Note that the KCHA can only suspend the minimum rent contribution. If the family is residing in a unit whose Gross Rent exceeds the Payment Standard, the family will be responsible for the excess rent.
3. Hardship determinations are subject to the KCHA's Informal Hearing Process and families are exempt from any escrow deposit that may be required under regulations governing the hearing process for other determinations.

I. PRORATED ASSISTANCE FOR "MIXED" FAMILIES

1. Applicability

Prorated assistance must be offered to any "mixed" applicant or participant family. A "mixed" family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

"Mixed" families that were a participant on June 19, 1995 and do not qualify for continued assistance must be offered prorated assistance. "Mixed" family applicants are entitled to prorated assistance. Families that become "mixed" after June 19, 1995 by addition of an ineligible member are entitled to prorated assistance.

2. Prorated Assistance Calculation

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percent of the family members who actually are eligible. Total Tenant Payment is the gross rent minus the prorated assistance.

J. RENT BURDEN

1. Initial Rent Burden

The Rent Burden is the family's payment to the owner/landlord plus utility allowance. This total figure should be equal to or less than forty percent (40%) of the family's monthly adjusted income.

New admissions to the Housing Choice Voucher Program and continuing program participants who move to a new unit will not be allowed to pay more than forty percent (40%) of adjusted income for rent. If the rent burden of the selected unit is over forty percent (40%), the new admission family, or participant family who is moving will be advised to seek a lower priced unit.

2. Family Moves

If a family requests to move out of the current unit to another unit and is eligible for continued assistance, the family will be issued a Housing Choice Voucher and will be subject to the new rent calculation and to the forty percent (40%) rent burden restriction.

3. Owner/landlord Increases in Rent

If an owner/landlord submits notice of an increase in rent for a contracted unit, and the resulting Tenant Rent exceeds forty (40%) percent of the family's adjusted income, the family has the option to remain in the unit and pay the additional costs. The family may also submit a Notice to Move to the owner/landlord and request a Housing Choice Voucher to move to another unit.

K. ZERO INCOME FAMILIES

Families reporting no family income will be asked at application and re-certification how the family pays for necessary living expenses. If it is determined that the family is receiving regular monetary or non-monetary contributions and/or gifts from non-household members, the value of these gifts will be annualized to estimate income.

If it is determined that the family receives no income from gifts, contributions, or any other source, the family will be required to complete, sign, and date a statement of zero family income. Such families will be required to maintain all receipts for any expenses (e.g., food and clothing, utility bills) for the most recent three (3) months. This amount, excluding any food stamps or the KCHA Utility Allowance payments, will be annualized to determine annual income. Zero income families will be reevaluated every sixty (60) days to determine if there are any new sources of income. The reevaluation may include an inquiry to the Department of Labor.

1. If a family reports that it does not have an income, all adult members will be required to sign a no income affidavit, and answer all questions on a zero income questionnaire and execute a temporary sixty (60) day recertification.
2. Family members 18-25 years of age who are attending school full-time may not be required to report income status every sixty (60) days.
3. Where outside sources are paying bills or donating household goods on a regular basis, the value of these contributions will be included as annual income.

#### L. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS

The utility allowance is intended to cover the cost of utilities not included in the rent. The allowance is 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. Allowances are not based on the family's actual energy consumption. Changes in the allowance will be effective at the beginning of the KCHA's fiscal year.

The KCHA's Utility Allowance Schedule is set up according to bedroom size and building type. The family will be given the form HUD-52667 with the adopted utility allowances for the area in which the subsidy is issued. The utility allowance schedule will include the allowances for all services for each type unit by bedroom size. When searching for a suitable unit, the family will be able to select the appropriate allowance and calculate the total utility allowance according to the unit selected and the utilities the family will be responsible for paying.

##### 1. Utility Reimbursement Payments

Where families provide their own range and refrigerator, the KCHA will provide an allowance for the range and refrigerator. Allowances for water, sewer and trash services are averaged the same as other utilities. Where the Utility Allowance exceeds the family's Total Tenant Payment, the KCHA will



provide a Utility Reimbursement Payment for the family each month. The check will be made out directly to the utility company of the tenant's choice.

2. Utility Allowance Survey

The KCHA will review the utility allowance schedule annually. If the review finds a utility rate has changed by ten percent (10%) or more since the last revision of the utility allowance schedule, the schedule will be revised to reflect the new rate. Revised utility allowances will be applied in a participant family's rent calculation at their next reexamination.

M. TOTAL TENANT PAYMENT EXCEEDS GROSS RENT/ZERO HAP ASSISTANCE

Families whose Total Tenant Payment exceeds the Gross Rent of the occupied unit may remain on the KCHA's Section 8 program for six (6) months from the effective date of the zero assistance. This will not be considered a break in continued assistance. The family may remain in the same unit and pay rent for six (6) months before being removed from the program. If the family's income decreases or the unit rent increases within the six (6)-month period, the family will be reinstated into the program without applying to the waiting list.

The family may request to move to another unit by giving the KCHA and the owner/landlord a thirty (30)-day written notice to vacate. The family must pay the rent during the thirty (30)-day period. The KCHA will issue the family a Voucher to move at the end of the notice period. If the family moves from the current unit within the six (6)-month period without giving proper written notice, that is a violation of the lease as well as family obligations, a Voucher will not be issued and the family will be terminated from the program. If assistance is terminated, for violation of family obligations, the family is ineligible for rental assistance for up to three (3) years from the date of termination.

## V. VERIFICATION REQUIREMENTS

### A. GENERAL REQUIREMENTS

The verification requirements described in this section are applicable to initial screening for eligibility, initial certification, interim recertifications and annual recertifications.

The KCHA will use up-front or third-party verification of all information whenever possible and the return envelope will be retained in the resident's file. Two documented attempts to obtain Third-Party Verification should be made before another form of verification is used. The KCHA will send verification forms in the mail along with a request that the form be returned by fax or mail. If up-front or third-party documentation is not available, the reason must be documented in the file.

While there is no regulatory limit on the acceptable age of verifications, PHAs historically use only verified information that is less than ninety (90) days old on the effective date of admission or recertification. Verified information obtained after application intake that is less than ninety (90) days old need not be re-verified. Verifications may be extended for an additional thirty (30) days with a telephone update. (A record of the update, including the name and title of the individual contacted, must be placed in the applicant's file.) Verified information not subject to change (such as a person's date and place of birth) need not be re-verified.

Information obtained that is subject to change and for which verifications are more than ninety (90) days old, should be re-verified. HUD requires that verification forms to support KCHA's admission decisions be placed in the applicant's (and subsequently, the tenant's) files. Information that is subject to change, such as income, assets, family composition, etc. should be verified close to certification or recertification. Preferences must be verified once, just before admission. It is up to the KCHA to decide the acceptable term of the verification and whether re-verifications are needed.

### B. TIERS OF VERIFICATION ACCEPTABLE TO HUD

Information will be verified in order through the six tiers of verification listed below. This hierarchy conforms to the verification requirements set forth in Notice PIH 2010-19. The KCHA will begin with the highest level of verification technique listed below:

#### **6/5. Up-front Income Verification**

The KCHA will utilize available **up-front income verification (UIV)** resources. UIV is the verification of income before or during a family reexamination,

through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals. HUD's Enterprise Income Verification (EIV) System will be utilized in its entirety for all interim and annual recertifications when it is available to KCHA. KCHA will obtain up-front income verifications prior to or during the certification or recertification interview. Information obtained through UIV/EIV will be compared to documents provided by the family. When there is a substantial difference (substantial difference is defined as a difference of more than \$200 per month per source of income), the KCHA will resolve the discrepancy by contacting the source of the income directly. When there is not a substantial difference, the KCHA will use the higher of income verified through EIV/UIV or documents provided by the family. The KCHA will begin using HUD's Enterprise Income Verification System when notified of the availability by HUD.

Where available, computer matching may be done utilizing the following sources:

- a. HUD's Enterprise Income Verification (EIV) System;
- b. State Wage Information Collection Agencies (SWICA);
- c. The New Hire Directory;
- d. The Work Number (or similar sites) for employment verifications;
- e. State Attorney General online child support information (where available); or
- f. A credit report for all adults at initial certification and/or recertification.

#### **4. Written Third Party Verification**

Written third-party verification is required to substantiate representations made by an applicant or participant for factors affecting income and rent.

Written Third Party Verification at this level is defined as an original or authentic document generated by a third party source dated either within the 60-day period preceding the reexamination or KCHA request date. Such documentation may be in the possession of the tenant (or applicant), and is commonly referred to as tenant-provided documents. It is the KCHA's position that such tenant-provided documents are written third party verification since these documents originated from a third party source.

The KCHA may, at its discretion, reject any tenant-provided documents and follow up directly with the source to obtain necessary verification of

information.

Up-front income verification received from an independent source will be accepted in lieu of third-party written verification unless the applicant/tenant provides verification that the up-front verification is inaccurate. In that situation, third party written verification will be obtained.

In the event the third-party has not responded within thirty (30) business days after sending out the second written request for verification, document the supplemental data sheet and proceed to contact the appropriate parties by telephone to obtain the required information.

### **3. Written Third Party Verification**

Also, known as traditional third party verification. A standardized form to collect information from a third party source. The form is completed by the third party by hand (in writing or typeset). The KCHA will send the form directly to the third party source by mail, fax, or email.

### **2. Oral Third Party Verification**

Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique or identified by the family, via telephone or in-person visit. KCHA staff should document in the tenant file, the date and time of the telephone call (or visit to the third party), the name of the person contacted and telephone number, along with the confirmed information.

Third-party oral verification will be used when the KCHA has documented that third-party written verification is delayed or not possible. When third-party oral verification is used, staff will be required to complete a verification form noting with whom they spoke, the date and any facts provided during the conversation. Each question on the original verification form will be asked. Compare the information to any documents provided by the family. If third-party oral verifications are obtained via telephone, the KCHA MUST originate the call. Document each attempt to obtain third-party oral verification.

### **1. Tenant Declaration**

The tenant submits an affidavit or notarized statement of reported income and/or expenses to the KCHA. This verification method will be used as a last resort when the KCHA has not been successful in obtaining information via all other verification techniques.

The KCHA will accept a certification/self-declaration when no other form of

verification is available. A certification/self-declaration, as used throughout this Plan, means a sworn affidavit witnessed under penalty of perjury. The KCHA may attempt to verify the information contained in the certification/self-declaration.

Self-certification may be accepted for assets disposed of within the two years prior to certification. Self-certification is not allowed for currently held assets.

Self-certification will be accepted via a HUD approved certification form that the individual presenting it is a victim of domestic violence, dating violence, or stalking and the incident or incidents in question are bona fide incidents of such actual or threatened abuse and meet the requirements set forth in the Violence Against Women Act. Such certification shall include the name of the perpetrator.

The individual shall provide such certification within fourteen (14) business days after the owner, manager, or KCHA requested such certification. If the individual does not provide such certification within fourteen (14) business days after requested, admissions to the housing assistance program may be denied or the housing assistance may be terminated.

In accordance with 24 CFR §960.259(c)(1) and 24 CFR §982.516(a)(2) for the HCV program, respectively, the KCHA must obtain and document in the tenant file third party verification of the following factors, or must document in the tenant file why third party verification was not available: (i) reported family annual income; (ii) the value of assets; (iii) expenses related to deductions from annual income; and (iv) other factors that affect the determination of adjusted income.

Documents provided by tenants may be accepted and used for comparison to income verifications received through HUD's Enterprise Income Verification System.

Original authentic documents provided by the family may be used when third-party verification is not available or has not been received within thirty (30) business days, if the documents provide complete information.

Original computerized printouts from the following organizations will be accepted as participant provided documents when the KCHA cannot obtain third-party written verification:

- a. Social Security Administration;

- b. Veterans Administration;
- c. Welfare Assistance;
- d. Unemployment Compensation Board;
- e. City or County Courts; and
- f. Child Support Enforcement Agency.

All such documents will be photocopied and retained in the applicant's file. In cases where documents are viewed which cannot be photocopied, staff viewing the documents will complete a Documents Viewed Form. All copies of original documents will be marked "Copied from Original".

The following documents may be accepted from the family provided that the document is such that tampering would be easily noted:

- a. Six (6) consecutive wage stubs (originals only);
- b. Computer printouts from:
  - Employer;
  - Social Security Administration;
  - Veterans Administration;
  - Welfare Assistance;
  - Unemployment Compensation;
  - City or County Courts; and
  - Child Support Enforcement Agency.
- c. Signed Letters (provided the information is confirmed by phone).

The KCHA will accept faxed documents only if they contain contact information for verification of authenticity. Photocopies will not generally be accepted.

If third-party verification is received after documents have been accepted as provisional verification, and there is a discrepancy, the third-party verification will be used.

#### C. INFORMATION TO BE VERIFIED

The following information must be verified:

- 1. Preferences applicable to placement on and selection from the waiting list based on the selection preferences adopted by the KCHA.

2. Claims by an applicant or program participant that the individual is a victim of domestic violence, dating violence, or stalking and that the incident in question are bona fide incidents of such actual or threatened abuse and meet the requirements set forth in the Violence Against Women Act. Such verification/certification shall include the name of the perpetrator.
3. Zero and/or sporadic income status of household. Zero and/or sporadic income applicants and participant will be required to complete a family expense form at each certification or recertification. Every zero and/or sporadic income resident will be required to attend a face to face interim recertification every sixty (60) days.
4. Full time student status including High School students who are eighteen (18) years of age or older;
5. Current assets including assets disposed of for less than fair market value in the preceding two years;
6. Childcare expenses when it allows an adult family member to be employed; look for work, or further his/her education;
7. Total medical expenses of all family members in households whose head, spouse, or co-head is elderly or disabled;
8. Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus that allow any adult family member, including the person with the disability, to be employed;
9. Legal identity;
10. U.S. citizenship/eligible immigration status;
11. Social Security Numbers for all family members;
12. Familial/Marital status when needed for head, spouse, or co-head definition;
13. Disability for determination of allowances, deductions or requests for accommodation including need for a live in aide;
14. Time spent seeking employment when childcare is claimed for the activity; and
15. All sources of income.

#### D. RELEASE OF INFORMATION

As a condition of admission to, or continued occupancy of, any assisted unit, the KCHA will require the family head and such other family members eighteen (18) years of age and older to execute a HUD-approved release and consent form authorizing any depository or private source of income, or any Federal, state or local agency, to furnish or to release to the KCHA and to HUD such information as the KCHA or HUD determines to be necessary. This includes a consent form for release of criminal/sex offender status information signed by each adult household member. The KCHA will furnish applicants and participants a Release of Information/Privacy Act Notice [HUD-9886 (7/94)] when collecting information to verify income. Refusal to cooperate with the HUD prescribed verification process as outlined in this Plan and HUD regulations will result in denial of admission or termination of tenancy.

#### E. AUTHORITY TO OBTAIN CRIMINAL HISTORY RECORDS

The KCHA is authorized by 24 CFR part 5, subpart J to obtain criminal conviction records from a law enforcement agency and to use those records to screen applicants for admission to covered housing programs.

24 CFR part 5, subpart J, §5.905 states that a PHA that administers a Housing Choice Voucher program must carry out background checks necessary to determine whether a member of a household applying for admission to any federally-assisted housing program is subject to a lifetime sex offender registration requirement under a State Sex Offender Registration program.

#### F. PERMITTED USE AND DISCLOSURE

The use and disclosure of criminal records/sex offender registration records received by the KCHA may only be used for applicant screening and/or for termination of assistance. The KCHA may disclose criminal conviction records as follows:

1. To officers or employees of the KCHA, or to authorized representatives of the KCHA who have a job-related need to have access to the information. For example, if the KCHA is seeking to terminate assistance to a Housing Choice Voucher participant on the basis of criminal activity/sex offender status as shown in criminal conviction records, the records may be disclosed to KCHA employees performing functions related to the termination, or to the KCHA hearing officer conducting an administrative grievance hearing concerning the proposed termination.
2. If the KCHA obtains criminal records from a State or local agency showing that a household member has been convicted of a crime relevant to applicant screening or tenant lease enforcement or termination of assistance, the KCHA



must:

- Notify the household of the proposed action based on the information obtained; and
- Provide the subject of the record and the applicant or Section 8-participant a copy of such information and an opportunity to dispute the accuracy and relevance of the information.

Note: This opportunity must be provided before a denial of admission, lease enforcement action or termination of assistance on the basis of such information.

3. Any other negligent or knowing action that is inconsistent with the statute or regulations. Conviction for a misdemeanor and imposition of a penalty of not more than \$5,000 is the potential for:
  - Any person, including an officer, employee, or authorized representative of a PHA who knowingly and willfully requests or obtains any information concerning an applicant for, or tenant of the PHA under false pretenses; and
  - Any person, including an officer, employee, or authorized representative of a PHA who knowingly and willfully discloses any such information in any manner to any individual not entitled under any law to receive the information.
4. A PHA may be liable under civil law to any applicant for, or Section 8 participant of the PHA who is affected by either of the following:
  - A negligent or knowing disclosure of criminal records information obtained under statutory authority about such person by an officer, employee, or authorized representative of a PHA if the disclosure is not authorized under the statute or regulations; or
  - An applicant for, or assisted participant of the PHA may seek relief against the PHA for inappropriate disclosure by bringing a civil action for damages and such other relief as may be appropriate. The United States district court in which the applicant or participant resides, in which the unauthorized action occurred, or in which the officer, employee, or representative of a PHA alleged to be responsible resides, has jurisdiction. Appropriate relief may include reasonable attorney's fees and other litigation costs.

#### G. RECEIPT OF INFORMATION FROM LAW ENFORCEMENT AGENCIES

When the law enforcement agency/state registration entity receives the KCHA's request, the agency must promptly release to the KCHA a certified copy of criminal

conviction records concerning the household member they have in their possession or under their control. National Crime Information Center (NCIC) records must be provided in accordance with NCIC procedures.

The law enforcement agency may charge a reasonable fee for this service but any fee charged by the agency for this service may not be passed on to the applicant.

#### H. RECORDS MANAGEMENT

1. The KCHA has established and implemented a system of records management that ensures that records received from a law enforcement agency are:
  - Maintained confidentially;
  - Not misused or improperly disseminated;
  - Destroyed once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the KCHA action without institution of a challenge or final disposition of any such litigation.
2. The records management requirements do not apply to sex offender registration information that is public information or is obtained by the KCHA other than from a State or local agency responsible for the collection or maintenance of such information.

#### I. VERIFICATION OF LOCAL PREFERENCES

The following methods may be used based upon the KCHA's preference policies:

1. Verification that an applicant is living in substandard housing from a unit or agency of government, or from an applicant's present landlord, that the applicant's unit has one or more of the deficiencies listed in the Definitions section of this policy.
2. Verification that an applicant has had to pay more than fifty percent (50%) of family income for rent, for at least ninety (90) days (Rent Burden), must be completed as follows, as defined in the Definitions Section of this policy ☐
  - The KCHA must verify the family's income in accordance with the standards and procedures that it uses to verify income for the purpose of determining applicant eligibility and Total Tenant Payment.
  - The KCHA must verify the amount due to the family's landlord (or cooperative) under the lease or occupancy agreement by requiring the family to furnish copies of its most recent rental (or cooperative charges) receipts (which may include canceled checks or money order

receipts) or a copy of the family's current lease or occupancy agreement, or by contacting the landlord (or cooperative) or its agent directly.

- The KCHA must verify the amount paid to amortize the purchase price of a manufactured home by requiring the family to furnish copies of its most recent payment receipts (which may include canceled checks or money order receipts) or a copy of the family's current purchase agreement, or by contacting the lien holder directly.
- To verify the actual amount that a family paid for utilities and other housing services, the KCHA must require the family to provide copies of the appropriate bills or receipts, or must obtain the information directly from the utility or service supplier.

3. Verification of Employment or Offer of Employment

- a. Employer verification of employment or offer of employment;
- b. Paycheck stubs with year-to-date earnings.

Note: Applicants who are elderly or disabled are entitled to this preference status.

4. Verification of Veteran Status

- a. Honorable, general discharge papers;
- b. DD 214 form.

5. Verification of Residency

- a. Utility bills in the name of the family;
- b. Telephone/cable bills;
- c. Verification from schools where children are enrolled;
- d. Rental or lease agreements;
- e. Landlord statements;
- f. Public social services verifications.

6. Verification of Victims of Reprisal or Hate Crimes

- Certification of displacement to avoid reprisals. If; a family member is providing information to a law enforcement agency, the law enforcement agency must conduct a threat assessment and recommend that the family be re-housed to avoid or minimize risk.
- Certification of displacement by hate crimes, if one or more family member is a victim of a hate crime and law enforcement officials and/or appropriate social service agencies show that the hate crime occurred recently or is of a continuing nature. A hate crime is actual or threatened physical violence or intimidation that is directed against a person or his/her property and that is based on the person's race, color, religion, sex, natural origin, disability, or familial status. The owner and/or the appropriate social services agency can provide certification of displacement due to inaccessibility of the unit. In this case, the owner must be able to demonstrate that he/she is not required by law to make the unit accessible.

J. VERIFICATION OF INCOME

All Income will be verified. This may include, but not be limited to the following:

1. Gross Employment Income of all Household Members;
2. Social Security, Pensions, SSI and Disability Income;
3. Unemployment Compensation;
4. Welfare Payments or General Assistance;
5. Alimony or Child Support , Monetary or Not;
6. Net Income From a Business, Including Childcare and Home Sales;
7. Recurring Monetary Contributions and Gifts;
8. Zero and/or Sporadic Income Status;
9. Full-Time Student Status; or
10. All Income Excluded by Federal Mandate will be Verified for Reporting Purposes Only.

K. ASSETS AND INCOME FROM ASSETS

All assets to which any household member has access and Income from assets will be verified. This may include, but not be limited to the following:

1. Checking Accounts
2. Current Savings Accounts and Certificates of Deposit of all Household Members;
3. Property Owned or Financed by Household Members;
4. Cash Value of Life Insurance Policies;
5. Retirement/Pension Funds; or
6. Assets Disposed of for Less than Fair Market Value in Previous 24 Months.

L. VERIFICATION OF DEDUCTIONS FROM INCOME

1. Childcare Expenses

The KCHA will verify:

- Eligibility for Childcare Expenses;
- Reasonable Cost for Childcare:
  - If childcare is required to further his/her education or to actively seek employment childcare costs must be reasonable.
  - If childcare is required for employment, childcare expense will be capped by employment income.
- Childcare for actively seeking employment is allowed if the resident provides verifiable documentation of his/her efforts to seek employment away from home. Childcare will not be provided for time spent seeking employment via home computer.

2. Medical and Handicapped Assistance Expenses

IRS publication 502 will be used as guidance where questions arise as to an item's eligibility. This publication provides a complete listing and description of allowable medical and dental expenses that can be included as medical deductions. Where an expense item can be treated as either a medical or a disability assistance expense the KCHA will calculate the expenses both ways and give the family the greater deduction.

The KCHA will advise all families at each certification/recertification that they may report any one-time non-recurring medical or disability expense cost and request an interim recertification.

Families who claim medical expenses or expenses to assist a person with disability will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. Reimbursement of medical expenses must be reported on form HUD-50058.

All expense claims will be verified by one or more of the methods listed below:

- Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, concerning anticipated medical costs to be incurred by the family and regular payments due on medical bills; and extent to which those expenses will be reimbursed by insurance or a government agency.
- Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
- Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next twelve (12) months. A computer printout will be accepted.

### 3. Disability Assistance Expense Deduction

Families are entitled to deduction for un-reimbursed expenses for care attendants and auxiliary apparatus expenses for a member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including member disabled) to work. The allowable disability assistance expense is that portion that exceeds three percent of annual income. This deduction may not exceed the earned income received by family members who are eighteen (18) or over, and who are able to work because of such attendant care or auxiliary apparatus.

The KCHA will verify:

- The disability;
- The un-reimbursed expenses for care or apparatus;
- Whether the expense is directly related to enabling employment; and
- Income earned due to the care or apparatus.

## M. VERIFYING NON-FINANCIAL FACTORS

Non-financial factors that must be verified include, but are not limited to:

1. Legal Identity;
2. Marital Status;
3. Familial Relationships;
4. Permanent Absence of Adult Member;
5. Change in Family Composition;
6. Disability;
7. Funds Owed the KCHA or Other Housing Authorities;
8. Social Security Numbers

The KCHA will require the applicant to provide Social Security Numbers for all

- family members or certify that no Social Security Number has been issued; or
9. Citizenship and Non-Eligible Immigration Status.

VI. BRIEFING OF FAMILIES AND ISSUANCE OF HOUSING CHOICE VOUCHERS

A. BRIEFING NOTICES

Notices of the briefing session are sent to eligible candidates at least fourteen (14) days in advance of the briefing session. If the applicant fails to appear, he/she may be rescheduled for the next briefing session. If the applicant fails to appear a second time, the application will be withdrawn. The applicant family can reapply when the KCHA is accepting applications.

B. CONTENTS OF THE BRIEFING

A family selected to participate in the KCHA's tenant-based program will be provided an oral briefing.

1. The briefing shall include information on the following subjects:

- a. A description of how the program works;
- b. Family and owner/landlord responsibilities;
- c. Where the family may lease a unit, including renting a dwelling unit inside or outside the KCHA's jurisdiction;
- d. An explanation of how portability works:

The KCHA may not discourage the family from choosing to live anywhere in the KCHA's jurisdiction, or outside the KCHA's jurisdiction under portability procedures.

- e. An explanation of the advantages of moving to areas outside of poverty or minority concentration.

2. In briefing a family that includes any disabled person, the KCHA shall take appropriate steps to ensure effective communication in accordance with 24 CFR 8.6.

C. CONTENTS OF BRIEFING PACKET

When a family is selected to participate in the program, the KCHA will provide the family a packet that includes the following information:

- 1. The initial time to locate a unit and KCHA policy on any extensions or suspensions of the term. If the KCHA allows extensions, the packet must explain how the family can request an extension;



2. How the KCHA determines the housing assistance payment for a family including prorated assistance for mixed families who have one or more ineligible family members according to the restrictions on assistance to non-citizen rule;
3. Payment standard and the KCHA's Utility Allowance Schedule;
4. How the KCHA determines the maximum rent for an assisted unit;
5. What the family should consider in deciding whether to lease a unit, including:
  - The condition of a unit;
  - Whether the rent is reasonable;
  - The cost of any resident-paid utilities and whether the unit is energy-efficient; and
  - The location of the unit, including proximity to public transportation, centers of employment, schools and shopping.
6. Where the family may lease a unit. For a family that qualifies to lease a unit outside the KCHA's jurisdiction under portability procedures, the information packet must include an explanation of how portability works.
7. The HUD-required lease addendum. The lease addendum is the language that must be included in the lease;
8. The Request for Tenancy Approval form and an explanation of how to request KCHA approval to lease a unit;
9. A statement of the KCHA policy on providing information about a family to prospective owners/landlords;
10. KCHA subsidy standards, including when the KCHA will consider granting exceptions to the standards;
11. The HUD brochure on how to select a unit;
12. The HUD lead-based paint (LBP) brochure;
13. Information on Federal, state and local equal opportunity laws, and a copy of the housing discrimination complaint form;
14. A list of owners/landlords or other parties known to the KCHA who may be willing to lease a unit to the family, or help the family find a unit;

15. Notice that if the family includes a disabled person, the family may request a current listing of accessible units known to the KCHA that may be available;
16. Family Obligations under the program;
17. The grounds on which the KCHA may terminate assistance for a participant family because of family action or failure to act;
18. KCHA informal hearing procedures. This information shall describe when the KCHA is required to give a participant family the opportunity for an informal hearing, and how to request a hearing;
19. A map showing areas representing various income levels of the jurisdiction and surrounding areas for the purpose of expanding housing opportunities for families.
20. HQS Checklist;
21. Procedures for notifying the KCHA and/or HUD of program abuses such as side payments, extra charges, violations of tenant rights, and owner failure to repair;
22. Requirements for reporting changes between certifications; and
23. Information on security deposits.

D. EXTENSIONS AND SUSPENSIONS

1. The initial period to locate a unit expires at the end of sixty (60) days from the date of issuance, unless the family has submitted a Request for Tenancy Approval. In order to have the time extended for a period not to exceed an additional sixty (60) days, the family must request the extension in writing. All requests for extensions should be received prior to the expiration date.
2. The KCHA staff will review with the family the efforts it has made to find a suitable dwelling unit and the problems it has encountered. The staff shall offer advice or assistance which may be helpful in assisting the family locate appropriate and affordable housing. If the KCHA determines there is a reasonable possibility that the family cannot locate suitable housing, the KCHA will grant an extension for an additional amount of time. In no event shall the time be extended beyond the maximum time limit allowed by Federal regulations.
3. The KCHA may grant a family a suspension of the term if the family has submitted a Request for Tenancy Approval during the term.

E. OCCUPANCY STANDARDS (pursuant to Federal Register, December 22, 1998)

1. Occupancy Standards

The KCHA's occupancy standards are listed below:

Size	Minimum # Persons	Maximum # Persons
0 BR	1	1
1 BR	1	3
2 BR	2	5
3 BR	3	7
4 BR	4	9

Exceptions to the above will be reviewed by the Executive Director and may be allowed depending upon individual circumstances.

A participant may select a smaller size unit than the size listed on their Housing Choice Voucher. However, the Payment Standard for the smaller size unit shall be utilized.

2. Voucher Issuance

The payment standard for the assigned subsidy size determines the maximum subsidy allowed for a participant. This standard is determined by assigning the number of bedrooms the family requires to accommodate the family composition and the number of family members in the applicant household. The assignment of the bedroom unit size is for the purpose of setting the allowable subsidy standard for the family and does not dictate the bedroom size unit the family may select as its housing choice. The following guidelines are used to determine each family's assigned subsidy size without overcrowding or under-housing.

The aforementioned standard is based on the assumption that: (a) no more than two persons will be required to share a bedroom; (b) persons of the opposite sex over the age of six (6), other than husband and wife will not be

required to share a bedroom; (c) children of the same sex will share a bedroom; (d) adults of the same sex will share a bedroom; however, adults of a different generation, i.e. mother, grandmother, may be permitted separate bedrooms; and (e) a live-in aide is permitted a separate bedroom.

The family composition as indicated on the application for assistance is used in determining bedroom size. The KCHA will consider the status of a pregnant woman, children in the process of being adopted, and children who are temporarily in foster care or whose custody is being obtained in the determination of the appropriate subsidy size. A family may request an exception to occupancy standards when a licensed professional clinician documents, for specific reasons, the need for separate bedroom accommodations. The Department Administrator or the Executive Director may grant this exception.

Exceptions to the above will be reviewed by the Executive Director and may be allowed depending upon individual circumstances.

## VII. HOUSING QUALITY STANDARDS AND INSPECTIONS

### A. APPLICABLE QUALITY STANDARDS

Any housing unit contracted with the KCHA will meet the minimum Housing Quality Standards (HQS) as set forth in 24 CFR 982.401. Local housing codes adopted by KCHA must meet or exceed HQS requirements. When adopting Local Codes, the KCHA will assure that the choice of housing will not be restricted by using those codes.

### B. INITIAL HQS INSPECTION

1. The Initial Inspection will be conducted to:
  - a. Determine if the unit and property meet the HQS defined in this Plan.
  - b. Document the current condition of the unit to assist in future evaluations as to whether or not the condition of the unit exceeds normal wear and tear.
  - c. Document the information to be used for determination of rent-reasonableness.
2. If the unit fails the initial Housing Quality Standards inspection, the family and owner/landlord will be advised to notify the KCHA once repairs are completed.
3. The owner/landlord will be given up to thirty (30) days to correct the items noted as Fail, at the Inspector's discretion, depending on the amount and complexity of work to be done.
4. The owner/landlord will be allowed up to two (2) re-inspections for repair work to be completed.
5. If the time period given by the Inspector to correct the repairs has elapsed, or the maximum number of failed re-inspections has occurred, the family may select another unit within the time limit remaining on the Voucher or of the Request for Tenancy Approval submission date.
6. The inspection should be made within fifteen (15) days from the date the unit is available for inspection.

### C. ANNUAL/BIENNIAL HQS INSPECTIONS

1. The KCHA will conduct Housing Quality Standards (HQS) inspections not less than once every 24 months. Such inspections shall be conducted 60-90 days prior to the 24 month anniversary date of the contract. This is immediately effective for any unit under HAP contract that has to be inspected in the twelve (12) months preceding 07/01/2014.
2. HQS deficiencies, which cause a unit to fail, must be corrected by the owner/landlord unless it is a fail for which the tenant/participant is responsible.
3. The family must allow the KCHA to inspect the unit at reasonable times with reasonable notice.
4. Reasonable hours to conduct an inspection are normal business hours.
5. The family shall be notified in writing at least one (1) day prior to the inspection.
6. If the family does not contact the KCHA to reschedule the inspection, or if the family has missed two (2) inspection appointments, the KCHA will consider the family to have violated a Family Obligation and their assistance may be terminated in accordance with the termination procedures in this Plan.
7. Time Standards for Repairs
  - a. Life-threatening HQS fail items must be corrected by the owner/landlord or resident, if responsible, within twenty-four (24) hours of notification.
  - b. For non-emergency items, repairs must be made within thirty (30) days.
  - c. Extensions may be granted in lieu of abatement in the following cases:
    - There is an unavoidable delay in completing repairs due to difficulties in obtaining parts or contracting for services;
    - The repairs are expensive (such as exterior painting or roof repair) and the owner/landlord needs time to obtain the funds;
    - The repairs must be delayed due to climate conditions; and
    - The extension will be made for a period of time not to exceed thirty (30) days. At the end of that time, if the work is not completed, the HAP may be abated or the contract terminated.

#### D. SPECIAL/COMPLAINT INSPECTIONS

1. If at any time the family or owner/landlord notifies the KCHA that the unit does not meet Housing Quality Standards, an inspection may be conducted.
2. The KCHA may also conduct a special inspection based on information from third-parties such as neighbors or public officials.
3. The KCHA may inspect only the items that were reported, but if the Inspector notices additional deficiencies that would cause the unit to fail HQS, the responsible party will be required to make the necessary repairs.
4. The KCHA will provide the owner/landlord a notice with a copy of the inspection report identifying the HQS violations. The notice will specify the time allowed for corrective action and tell the owner/landlord to contact the KCHA when the unit is ready for re-inspection.
5. If the tenant/participant is responsible for repairs they will be notified of the time allowed to take corrective action.
6. If the anniversary date is within 120 days of a special inspection, the special inspection may be categorized as "Annual" and all annual procedures will be followed.

E. QUALITY CONTROL INSPECTIONS

1. Quality Control inspections will be performed by a supervisor or other qualified staff member using the same minimum sample size as is now required for other supervisory quality control reviews pursuant to the SEMAP regulations. 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.
2. The results of the inspection are reviewed with the Inspector.
3. Housing Quality Standards Control Inspections Reports are compared with Annual Inspection Reports recently completed by inspection staff. Discrepancies between the two (2) inspection reports are evaluated. Discrepancies categorized as Inspector error are catalogued and reviewed with the Inspector. The review is to be instructional and informational, not punitive.

F. LIFE-THREATENING HQS DEFICIENCIES

1. Items of an emergency nature must be corrected by the owner/landlord or resident, whoever is responsible, within twenty-four (24) hours of notice by the Inspector.
2. If the emergency repair item(s) are not corrected in the time period required by the KCHA and the owner/landlord is responsible, the housing assistance payment will be abated and the HAP contract will be terminated.
3. If the emergency repair item(s) are not corrected in the period required and it is an HQS breach that is a family obligation, assistance to the family may be terminated.

G. DETERMINATION OF RESPONSIBILITY

1. Certain HQS deficiencies are considered the responsibility of the family:
  - a. Resident-paid utilities not in service;
  - b. Failure to provide or maintain family-supplied appliances; and
  - c. Damage to the unit or premises caused by a household member or guest beyond "normal wear and tear" is defined as items which would be charged against the resident's security deposit under state law or court practice.
2. The owner/landlord is responsible for all other HQS violations, which includes smoke alarms.
3. The owner/landlord is responsible for vermin infestation even if caused by the family's living habits. However, if such infestation is serious and repeated, it may be considered a lease violation and the owner/landlord may evict for serious or repeated violation of the lease. The KCHA may terminate the family's assistance on that basis.
4. The Inspector will make a determination of owner/landlord or family responsibility during the inspection.
5. If the family is responsible but the owner/landlord carries out repairs, the owner/landlord will be encouraged to bill the family for the cost of the repairs and the family's file will be noted.

H. CONSEQUENCES IF OWNER/LANDLORD IS RESPONSIBLE (NON-EMERGENCY ITEMS)

1. When it has been determined that a unit on the program fails to meet Housing Quality Standards, and the owner/landlord is responsible for completing the necessary repair(s) in the time period specified by the KCHA, the assistance payment to the owner/landlord will be abated.



- a. A Notice of Abatement will be sent to the owner/landlord, and the abatement will be effective from the day after the date of the failed inspection. The notice is generally for thirty (30) days, depending on the nature of the repair(s) needed.
- b. The KCHA may inspect abated units within three (3) days of the owner's/ landlord's notification that the work has been completed.
- c. If the owner/landlord makes repairs during the abatement period, payment will resume on the day the unit passes inspection.
- d. The KCHA will advise owners/landlords and tenant/participant of when the re-inspection will take place and request owner/landlord/tenant to be present.
- e. Termination of Contract If the owner/landlord is responsible for repairs, and fails to correct all the deficiencies cited prior to the repair deadline or extension, the contract may be terminated.

2. HAP Abatement

- a. If an owner fails to correct HQS deficiencies by the time specified by the KCHA, the KCHA will abate housing assistance payments no later than the first of the month following the expiration of the KCHA specified correction period (including any approved extension period).
- b. No retroactive payments will be made to the owner/landlord for the period of time the rent was abated and the unit did not comply with HQS.
- c. The maximum length of time that a HAP may be abated is 60 calendar days.
- d. The abatement shall be lifted effective the date the KCHA is able to verify the repairs have been made. If an owner provides acceptable documentation of the date of the repairs, the abatement can be lifted effective the date the repairs were made

3. HAP Contract Termination

- a. If the owner does not make the necessary corrections by the end of the abatement period, the KCHA will send a notice of HAP termination to the owner and a notice to the family that the HAP contract is being terminated. Once the termination goes into effect, the KCHA will not rescind it.

- b. If repairs are completed before the effective termination date, the termination may be rescinded if the tenant/participant chooses to remain in the unit.
- c. Reasonable notice of HAP contract termination by the KCHA is thirty (30) calendar days.
- d. If the HAP for a unit is abated three or more times during a five year period, the KCHA may terminate the contract and will consider terminating the owner's participation in the program.

I. CONSEQUENCES IF FAMILY IS RESPONSIBLE

- 1. If non-emergency violations of HQS are determined to be the responsibility of the family, the family shall make any repair(s) or corrections within thirty (30) days. If the repair(s) or correction(s) are not made in this time period, the KCHA will terminate assistance to the family. The Executive Director must approve extensions in these cases. The owner's/landlord's rent will not be abated for items that are the family's responsibility.
- 2. If the resident is responsible and corrections are not made, the HAP Contract will terminate when assistance is terminated.
- 3. 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.

J. CORRECTION OF DEFICIENCIES

- 1. KCHA will give the responsible parties a reasonable amount of time to correct the deficiencies. Twenty-Four (24) hours will be given to correct all repairs considered life-threatening. No more than 30 calendar days will be provided to correct all other repairs. Extensions may be granted on a case-by-case basis by Housing Choice Voucher Program Manager or the Executive Director.
- 2. Owner/Tenant must notify KCHA when the repairs have been corrected.
- 3. When life threatening conditions are identified, the KCHA will immediately notify both parties by telephone, facsimile, or email. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within twenty-four (24) hours of the date of the KCHA's notice.
- 4. When failures that are not life threatening are identified, the KCHA will send the owner and the family a written notification of the inspection results within 7 calendar days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally, thirty (30) calendar days from the date of the inspection that identifies the failures are allowed for the correction.
- 5. The notice of inspection results will inform the owner that if life threatening conditions are not corrected within twenty-four (24) hours and non-life

threatening conditions are not corrected within the specified time frame (or any KCHA-approved extension), the owner's HAP will be abated in accordance with the KCHA policy. Likewise, in the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any KCHA-approved extension, if applicable) the family's assistance will be terminated in accordance with the KCHA policy.

6. For non-life threatening emergencies, the KCHA may accept written certification, in lieu of performing a re-inspection, as proof that the required repairs have been made. KCHA reserves the right to conduct an re-inspection, notwithstanding the owner or landlord's certification.
7. Extensions
  - a. For conditions that are life-threatening, the KCHA will not grant an extension to the 24 hour corrective action period.
  - b. For conditions that are not life-threatening or lead-based paint, the KCHA may grant an exception to the required time frames for correcting the violation, if the KCHA determines that an extension is appropriate.
  - c. Extensions will be granted in cases where the KCHA 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. The owner's request for an extension must be made in writing to the KCHA prior to the expiration of the initial cure period.
  - d. Reasons may include, but are not limited to:
    - i. A repair cannot be completed because required parts or services are not available;
    - ii. A repair cannot be completed because of weather conditions;
    - iii. A reasonable accommodation is needed because the family includes a person with disabilities
  - e. The length of the extension will be determined on a case by case basis, but will not exceed 30 calendar days, except in the case of delays caused by weather conditions. The necessary repairs must be made within 15 calendar days after the weather conditions have subsided.

#### VIII. REQUEST FOR TENANCY APPROVAL, DISAPPROVAL OF OWNER/LANDLORD, RENT REASONABLENESS, EXECUTION OF LEASE AND HAP CONTRACT, AND RENT INCREASE

##### A. REQUEST FOR TENANCY APPROVAL

1. Upon finding a unit that is suitable and if the owner/landlord is willing to lease the unit to the family under the HCV Program, the family must request tenancy approval of the unit from the KCHA. Two documents must be submitted to the KCHA to begin the process of approving the unit selected by the family. These documents are:
  - a. Request for Tenancy Approval (RTA) (form HUD-52517);
  - b. A copy of the proposed lease between the owner and the family (this must include the HUD prescribed tenancy addendum).
2. The RTA must be completed in full and submitted to the KCHA no later than the expiration date stated on the Voucher.
3. The owner/landlord must certify, on form HUD-53517, the most recent amount of rent charged for the unit. If there is any difference between the prior rent charged and the proposed rent, the owner/landlord must provide an explanation for the difference. The KCHA may require supporting documentation for the difference in rent when applicable.
4. The owner/landlord must certify that they are not related to any member of the family (parent, child, grandparent, grandchild, sister or brother). The certification will not be required if the KCHA has granted the family a request for reasonable accommodations for a person with disabilities who is a member of the tenant household.
5. For units built prior to 1978, the owner/landlord must either:
  - a. Certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspection; or
  - b. Attach a lead-based paint disclosure statement.
6. The KCHA will permit a family to submit only one Request for Tenancy Approval at a time.

**B. KCHA'S APPROVAL OF THE TENANCY**

1. The KCHA will ensure that the following program requirements have been met prior to approving the Request for Tenancy Approval:
  - a. The unit is eligible;
  - b. The unit has been inspected by the KCHA and meets HQS;
  - c. The proposed lease includes the HUD prescribed tenancy addendum;
  - d. The proposed rent by the owner/landlord is reasonable.

The KCHA will review the rent to owner to determine if the rents are reasonable. During the HAP contract term, the rent to owner at no time may exceed the reasonable rent for the contract unit as most recently determined by the KCHA.

24 CFR 982.507(a)(3) provides that the KCHA may determine the reasonable rent of units under contract at any time. The KCHA may also request information at any time from the owner to ensure that the rent to owner does not exceed rents charged by the owner for comparable unassisted units in the premises.

The owner must give the KCHA any information requested by the KCHA on rents charged by the owner for other units in the premises or elsewhere. If the rent to owner is not reasonable as most recently determined by the KCHA, the owner must reduce the rent to owner to the reasonable amount or the HAP contract must be terminated.

2. The KCHA will not approve a Request for Tenancy Approval if the unit that is chosen is one of the following:
  - a. Public or Indian housing unit;
  - b. Unit receiving Section 8 project-based assistance;
  - c. Nursing homes, board and care homes, or facilities providing continual psychiatric, medical or nursing services;
  - d. College or other school dormitories;
  - e. Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions; or
  - f. Unit occupied by the owner or by a person with interest in the dwelling unit.

C. NOTIFICATION TO FAMILY AND OWNER/LANDLORD

1. The KCHA will promptly notify the family and the owner/landlord of approval of the Request for Tenancy Approval.
2. The KCHA will promptly notify the family and the owner/landlord of disapproval of the Request for Tenancy Approval. The notification will provide the reason(s) for disapproval. The notification will also provide the owner/landlord and family with an opportunity to correct the problems within thirty (30) days.

D. KCHA'S DISAPPROVAL OF OWNER/LANDLORD

1. The KCHA will not approve an assisted tenancy if:
  - a. The owner/landlord is debarred, suspended, or subject to a limited denial or participation;
  - b. The federal government has instituted an administrative or judicial action against the owner/landlord for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending; or
  - c. A court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.
2. The KCHA will not approve as assisted tenancy if the lease is executed between relatives. That is, if the owner/landlord of the unit is related to any member of the assisted family.
3. The KCHA will not approve contracts in which any of the following parties have current interest in the HAP contract, or will have an interest in the HAP contract for one year thereafter.
  - Present or former member or officer of the KCHA, except a participant commissioner;
  - Employee of the KCHA or any contractor, subcontractor or agent of the KCHA who formulates policy or influences program decisions;
  - Public official, member of a governing body, or state or local legislator who exercises functions or responsibilities related to the program; or
  - Members of the U. S. Congress.

E. KCHA'S DISCRETION TO DISAPPROVE OWNERS/LANDLORD

The KCHA, at its discretion, will disapprove an owner/landlord for any of the specific reasons listed below:

1. Violation of obligations under one or more HAP contracts;
2. Acts of fraud, bribery or other corrupt or criminal act in connection with any federal housing programs;
3. Participation in any drug related activity or any violent criminal activity;
4. Current or previous practice on non-compliance with HQS and/or state and local housing codes or with applicable housing standards for units leased under any other federal housing programs;
5. Current or prior history of refusing to evict housing choice voucher program or other assisted housing tenants for activity by the tenant, any member of the household, a guest, or another person(s) 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 residents, KCHA employees, or owner employees;
  - Threatens the neighbors' health or safety, or neighbors' right to peaceful enjoyment of their residence; or
  - Engages in drug related criminal activity or violent criminal activity.
6. Fails to pay state or local real estate taxes, fines, or assessments.

F. RENT REASONABLENESS DETERMINATION AND DOCUMENTATION

1. The KCHA will not approve a lease until it is determined that the initial rent to the owner/landlord is a reasonable rent. The KCHA must also determine the reasonable rent before any increase in the rent is approved, and if there is a five percent (5%) decrease in the published FMR in effect sixty (60) days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one year before the contract anniversary.
2. The KCHA will also determine rent reasonableness when the owner/landlord requests an increase in the rent for a voucher unit.
3. Local government or independent entities (approved by HUD) must perform HQS inspections and rent reasonableness determinations for KCHA -owned units leased by voucher holders:

- The KCHA will pay expenses associated with the performance;
  - The family cannot be charged for these services; and
  - The KCHA may use administrative fee income to compensate the independent agencies for their services.
4. The following items will be used for rent reasonableness documentation:
- Size (number of bedrooms/square footage);
  - Location;
  - Quality;
  - Amenities (bathrooms, dishwasher, air conditioning, etc.);
  - Housing Services;
  - Age of unit;
  - Unit Type;
  - Utilities; and
  - Maintenance.
5. The following basic methodology may be used to certify that the requested rent is reasonable in relation to rents being charged for unassisted units:
- a. KCHA collects the required data concerning the unit to be assisted from the Request for Tenancy Approval and during the inspection.
  - b. Data from comparable units may be collected from the following sources:
    - Multiple Listing Service;
    - Newspapers and owner/landlord interviews;
    - Other methods as needed;
    - Owner/agent questionnaires;
    - On-site visits.
  - c. Data concerning at least three (3) comparables and the assisted unit may be recorded on a Rent Reasonableness Determination (RRD) form. This form may be attached to the inspection records.
  - d. The data on the RRD form is analyzed and an approvable rent is determined and recorded on the RRD with the date and name of the staff person.
  - e. The analysis may either utilize the appraisal method comparing point or dollar values or the standard deviation method using rents adjusted for all of the comparable items.



- f. Rent rolls may be requested from owner/agents if needed to determine that rents charged for unassisted units in a complex are favorably comparable to the assisted unit.
- 6. The KCHA must redetermine rent reasonableness if directed by HUD. The KCHA may elect to redetermine rent reasonableness at any other time. At all times during the assisted tenancy, the rent to owner/landlord may not exceed the reasonable rent as most recently determined or redetermined by the KCHA.
- 7. The owner/landlord will be advised that by accepting each monthly housing assistance payment he/she will be certifying that:
  - a. The rent to owner/landlord is not more than rent charged by the owner/landlord for comparable unassisted units in the premises;
  - b. The assisted family is currently occupying the unit;
  - c. The assisted family is not in violation of lease obligations; and
  - d. The owner/landlord is in compliance with the terms of the Section 8 HAP Contract.

G. EXECUTION OF THE LEASE AND HAP CONTRACT

- 1. The owner/landlord and tenant must execute the HUD mandated Lease Addendum after the owner's/landlord's lease is approved by KCHA. If the KCHA determines that the proposed lease is unacceptable, the owner/landlord has ten (10) calendar days to amend it and resubmit it to the KCHA.
- 2. The KCHA may recommend the use of a standard lease designed by the KCHA. However, the KCHA should encourage all owners/landlords to use their own lease.
- 3. The effective date of the lease and HAP Contract shall be on the same date or after the unit passes the HQS inspection.
- 4. The lease and contract should be executed within thirty (30) days of the effective date.
- 5. The lease must be consistent with state and local laws.

6. The lease must be generally applied to unassisted residents.
7. Defines resident's legal capacity as having legal capacity under state and local law and that "the resident" is bound by the terms of the lease and may enforce the lease against the owner.
8. At a minimum, the lease must include:
  - a. The tenants' and owner's/landlord's name;
  - b. The term of the lease (and any conditions of renewal);
  - c. The monthly rent to owner/landlord;
  - d. Specifications regarding which utilities and appliances are furnished by the owner/landlord and which by the tenant;
  - e. Clarifies conditions under which execution of a new HAP contract and KCHA approval of the lease would be required:
    - Change in owner/landlord or tenant-provided utilities or appliances;
    - Changes in the term of the lease;
    - Family moves to a new unit in the same building or complex.
9. Change in rent does not necessitate a new contract, or new lease, unless local practice requires a new lease.

#### H. RENT INCREASES

The owner/landlord must submit a rent increase in accordance with the HAP Contract. The tenant/participant must be served with the notice of the increase in rent and the effective date must be no sooner than sixty (60) days after the notice date. The KCHA must receive a copy from the owner/landlord in order to process the increase.

Upon receipt of the notice of rent increase the KCHA must determine if the increased rent meets the rent reasonableness standard. In areas where there is rent control, the KCHA must determine whether or not rent control restrictions also impact the rent increase.

In cases where the KCHA cannot justify the rent increase through rent reasonableness, the owner/landlord must be notified in writing. The owner/landlord may appeal the KCHA's decision, providing the KCHA with non-assisted comparable units in his/her property receiving the requested rent. If the KCHA does not approve the increase, the tenant/participant cannot assume the burden of the increase.

Owners/landlords may request and HUD may approve a special rent increase pursuant to the HAP Contract.

I. MANUFACTURED HOMEOWNERS LEASING PAD

The subsidy amount for expenses associated with pad leasing for mobile homeowners has been increased from thirty percent (30%) of the two-bedroom FMR to forty percent (40%).

IX. PAYMENT STANDARDS

- A. Each year, the KCHA will establish Payment Standards between 90-110% of the current Fair Market Rent. HUD approval will be obtained if subsidy amount is below or above established FMR. If below FMR, HUD will not approve if more than forty percent (40%) of the KCHA's participants are paying a family share above thirty percent (30%) of adjusted monthly income.
- B. When the Payment Standard is adjusted, staff will make the appropriate changes during the family's annual reexamination.
- C. Factors that the KCHA may review on an annual basis, within sixty (60) days of the publication of the Fair Market Rents schedule, include the following:
  - 1. Participant rent burdens (percent of Tenant Rent to adjusted household income);
  - 2. Participant rent burden relative to the quality of units selected by participant families;
  - 3. Participant rent burden relative to availability by bedroom size;
  - 4. Actual contract rents for specific bedroom sizes;
  - 5. Actual rent increases for participating households;
  - 6. The average time period for finding eligible housing;
  - 7. Rent reasonableness data;
  - 8. The local vacancy rate; and
  - 9. Prior approved rent exceptions will apply.
- D. If the payment standard is decreased, the new payment standard will not be applied until the second annual reexamination after the date of the decrease in payment standard as long as the participant remains in place under the current HAP Contract and lease.
- E. MAXIMUM INITIAL RENT BURDEN
  - 1. Families receiving initial assistance or moving after October 1, 1999, may not pay more than forty percent (40%) of monthly-adjusted income;
  - 2. This does not apply if family stays in unit; and

3. Is applicable with each move.

F. PROCEDURES FOR EVALUATION

During the annual evaluation process, the KCHA may use the above data to determine what impact an increase in the payment standard will have on the number of families who can be assisted.

X. OWNER/LANDLORD RESPONSIBILITY FOR SCREENING RESIDENTS

A. OWNER/LANDLORD SCREENING

1. Listing a family on the KCHA waiting list, or selecting a family for participation in the program, is not a representation by the KCHA to the owner/landlord about the family's expected behavior, or the family's suitability for tenancy. At or before KCHA approval to lease a unit, the KCHA must inform the owner/landlord that the KCHA has not screened the family's behavior or suitability for tenancy and that such screening is the owner's/landlord's own responsibility.
2. Owners/landlords are permitted and encouraged to screen families on the basis of their tenancy histories. An owner/landlord may consider a family's background with respect to such factors as:
  - a. Payment of rent and utility bills;
  - b. Caring for a unit and premises;
  - c. Respecting the rights of others to the peaceful enjoyment of their housing;
  - d. Drug-related criminal activity or other criminal activity that is a threat to the life, safety or property of others; and
  - e. Compliance with other essential conditions of tenancy.

B. KCHA INFORMATION ABOUT RESIDENT

1. If requested in writing, the KCHA must give the owner/landlord:
  - a. The family's current and prior address (as shown in the KCHA records); and
  - b. The name and address (if known to the KCHA) of the owner/landlord at the family's current and prior address.
2. When a family wants to lease a dwelling unit, the KCHA may offer the owner/landlord other information in the KCHA possession, about the family, including information about the tenancy history of family member, or about drug-trafficking by family members. If the KCHA provides additional information to item 1 above, it will have clear, written procedures describing what information will be released and how it will be provided. Only information that is either public record or first-hand knowledge by the KCHA may be provided. The KCHA's legal counsel will approve the written procedures.

3. The KCHA will give the family a statement of the KCHA's policy on providing information to owners/landlords. The statement will be included in the information packet that is given to a family selected to participate in the program.
4. The KCHA will limit use and disclosure of family information obtained through release and consent procedures solely for program administration purposes.

XI. PAYMENTS TO OWNERS/LANDLORDS

A. CONTROLS AND ACCOUNTABILITY

1. All payments are computed according to HUD approved formulas and schedules.
2. New contracts are dated on or after the unit are approved and the participant has moved in.
3. Computations are reviewed before being submitted for payment.
4. A HAP register is maintained to monitor timeliness and accuracy.
5. The owner/landlord may not charge extra for items customarily included in rents in the locality or provided at no additional cost to the unsubsidized residents on the premises.

B. BASIC PROCEDURES

1. Annual rent increases are effective the first of the month.
2. Request for HAP payments are submitted by no later than the 3rd week of each month to insure that payments can be reviewed for accuracy and so that payments are made in a timely manner to the owners/landlords.
3. Payments are made to the owners/landlords by check or direct deposit. When applicable, Tenant's Utility Reimbursement payments are made directly to the utility company by the KCHA.

C. HAP LATE PAYMENTS TO OWNERS/LANDLORDS

HAP contract provides for penalties against the KCHA. To assess such fees, the policy and practice must meet the following criteria:

1. The penalties follow the generally accepted practice and law in the local housing market;
2. The owner/landlord charges both assisted and non-assisted residents;
3. The owner/landlord charges the resident for late rent payments;
4. Late fee will be paid from the Administrative fees income and reserve;
5. KCHA will not be penalized for circumstances which are beyond their control;



6. The HAP payment is considered received once it has been mailed (or electronically deposited) by the KCHA; and
7. The first HAP payment of a contract is not considered for a late payment.

## XII. ANNUAL AND INTERIM RE-CERTIFICATION

### A. ANNUAL RE-CERTIFICATION

1. Reexamination of family income and composition will be conducted at least annually for families in the Housing Choice Voucher Program. The family will be requested to provide information on income, assets, allowances and deductions, and family composition at least annually.
2. Families will be obligated to supply any information that the KCHA or HUD determines is necessary for use in regularly scheduled reexaminations or an interim reexamination.
3. Families must submit consent forms for obtaining wage and claim information from Federal, State, or local agency to furnish or release to the KCHA such information determined necessary.
4. The KCHA will obtain and document in the family's file the third-party verification received or document why it is not available.
5. The annual re-certification date shall be the first of the month in which the lease was executed.
6. When families move to another dwelling unit, an annual re-certification will be scheduled.
7. Income limits will not be used as a test for continued eligibility at re-certification.
8. Reexamination Notice to the Family
  - a. The KCHA will maintain a reexamination tracking system and at least sixty (60) to ninety (90) days in advance of the scheduled annual reexamination effective date, the head of household will be notified by mail that she/he is required to attend a reexamination interview on a specified date (or rescheduled in advance if the scheduled date is unacceptable).
  - b. The notice will inform the family about what documents the family must bring to the re-certification interview.
  - c. If requested as an accommodation by a person with a disability, the KCHA will provide the notice in an accessible format.
  - d. A home visit or telephone interview may be conducted for elderly or disabled clients.

- e. If requested by an elderly or disabled client, a family representative or social service representative may assist with the process.
  - f. All family members eighteen (18) years of age or older must attend the annual reexamination appointment.
9. Verification of Information Provided
- a. The KCHA will send out third-party verifications. If third-party verifications are not returned by the given deadline, documents provided by the resident may be used for verification.
  - b. The KCHA will follow the verification procedures and guidelines described in this Plan. Verifications for reexaminations must be less than one hundred twenty (120) days old.
  - c. Families declaring zero income may be required to execute verification forms to determine the sources of income such as unemployment benefits; TANF; SSI; etc. are not received by the household. The KCHA may request information from the state employment office.
  - d. For families with zero income reexamination is scheduled no less than every sixty (60) days. The family is required to provide proof of assistance by methods of contribution letter, receipts or agency confirmation.

#### B. INTERIM REEXAMINATIONS

All changes in income must be reported to the KCHA in writing within the (10) calendar days of the effective date of the change. The KCHA will determine whether or not the change warrants an interim reexamination. Interim reexaminations done after the 25<sup>th</sup> of each month will be processed for the 1<sup>st</sup> of the month following the next reporting month.

The KCHA will conduct interim reexaminations of the family income, composition and other eligibility factors to adjust the Total Tenant Payment for the following reasons:

- 1. For families whose income cannot be projected with any reasonable degree of accuracy, special reexaminations will be scheduled not more than every ninety (90) days;
- 2. For families where an error was made at admissions or reexamination; that family will not be charged retroactive rent (increase) for error(s) made by KCHA personnel;

3. For families whose rent was based on false or incomplete information supplied by the applicant/participant;
4. For families who requested a review due to a decrease in income or increase in allowable expenses;
5. For families who have had their rent reduced under a previously requested reexamination;
6. For families who have added and/or deleted member(s) of their household from the original family composition; (mandatory that this be reported to KCHA);
7. For families whose income source is changed including changing from one full time employer to another, receipt of an unscheduled increase in wages, or receipt of an increase in benefits such as Social Security, SSI, and TANF.
8. For families or household members previously reporting zero income; and
9. Any requirements imposed by HUD.

C. FAILURE TO RESPOND TO ANNUAL OR INTERIM RE-CERTIFICATION NOTICE

1. The written notification must state which family members are required to attend the interview. The family may call to request another appointment date up to one (1) day prior to the interview.
2. If the family does not appear for the re-certification interview, and has not rescheduled or made prior arrangements with the KCHA, the KCHA will reschedule a second appointment.
3. If the family fails to appear for the second appointment, and has not rescheduled or made prior arrangements, the KCHA will send the family notice of termination and offer them an informal hearing.
4. Exceptions to these policies may be made if the family is able to document an emergency situation that prevented them from canceling or attending the appointment or if requested as a reasonable accommodation for a person with a disability.
5. Participants will be mailed notices of a maximum of two (2) scheduled reexamination appointments. Extenuating circumstances may be considered at the discretion of the KCHA. The second appointment notice must be mailed immediately (within one business day of the first appointment), allowing the participant ten (10) working days for the next scheduled appointment.

D. CHANGES TO TENANT RENT

1. When the family income information is analyzed, and all other re-certification requirements have been met, the Tenant Rent will be recalculated.
2. The KCHA will notify both the owner/landlord and resident in writing of the new rent shares.

3. Changes in Family Share at Annual Recertification

Increases or decreases in family share are effective on the anniversary date unless the family has caused a delay in the recertification process or fails to report all income and deductions.

When the family causes a delay or fails to report, a decrease in family share will become effective the first day of the month following verification. An increase is effective retroactively to earlier of the anniversary date or the first day of the month following the increase.

4. Changes in Family Share at Interim Recertification

An increase in family share is effective the first day of the month following a thirty (30) day notice from the KCHA if reported by the family within ten (10) days of the increase.

If the family has not reported the increase within ten (10) days, the increase will be retroactive to the first day of the month following the increase in income.

Decreases in family share are effective the first day of the month following the report of decrease in income or increased deductions.

5. Increases in family share as a result of receipt of the Earned Income Disallowance (EID) will be effective the first day of the month following notification by the KCHA.
6. If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the reexamination processing, there will be a retroactive increase in rent to the anniversary date or at the discretion of the KCHA, the resident may be placed on a repayment agreement or terminated from the program.

7. If there is a rent decrease, it will be effective on the first day of the month following reexamination date (unless the family has caused a delay in reexamination processing).
8. Retroactive rent is charged when the participant has failed to provide information within the required time period.
9. Rent will be prorated when a mixed family is not eligible for continued assistance or deferral of termination; chooses not to defer termination; or is at the end of the deferral period. The total housing subsidy is calculated in the usual manner for either assistance programs, using income for all family members. Prorated assistance is calculated by multiplying the total subsidy by a fraction that shows the number of eligible family members as the top number and is divided by the number of total family members as the bottom number.

E. REQUIREMENTS TO ADD TO FAMILY COMPOSITION

The KCHA is required to amend the lease when there are additions or deletions to the family composition. The following requirements pertain to family additions:

1. Minors
  - a. The KCHA will require birth certificate and social security numbers for minors. Failure to provide social security number will result in termination of assistance for failure to comply with program requirements.
  - b. For a parent or another person having legal custody of such individual or individuals the KCHA will require one of the following documents:
    - Court-order assignment; or
    - Custody Agreement filed in a court of law; or
    - Adoption papers; or
    - Verification from social service agency; or
    - Signed self-declaration by parent or designee (level 1 – last resort)
2. Persons eighteen (18) years of age or older:

When the participant requests an adult person (defined as someone 18 years of age or older) be added to the family composition, the following will be required:

- a. Photo identification, social security number, verification of income and other eligibility related requirements. The individual will be required to sign HUD form 9886 (Release of Information);

- b. Background screening will be conducted for criminal activity **prior to authorizing approval** to add an adult person to family composition and the KCHA will determine, after receipt, of the report the acceptability of this adult member in the same manner other applicants are screened for appropriate behavior;
  - c. If the individual is found to have no criminal history background record, the KCHA will add the adult member to the family composition;
  - d. If the individual is found to have a criminal history background record, the KCHA may deny the admission and addition to the lease;
  - e. The KCHA will consider any violent criminal or drug-related criminal activity as grounds to deny admission, unless the individual can prove rehabilitation;
  - f. Because the adult member who wished to be added has no formal relationship with the KCHA, she/he will not be afforded a review of the reasons for denial.
3. The KCHA will notify the family in writing if there is a determination to deny the addition of any family member(s). The family may appeal by requesting an Informal Hearing as outlined in this Plan.

XIII. TERMINATION OF ASSISTANCE

## A. BASIC POLICY

The KCHA may terminate assistance for a family because of the family's action or failure to act. The KCHA will provide families with a written description of the family obligations under the program, grounds under which the KCHA can terminate assistance, and the informal hearing procedures.

## B. THE KCHA MAY TERMINATE ASSISTANCE OF THE FAMILY FOR THE FOLLOWING REASONS

1. A family must not engage in drug-related criminal activity, violent criminal activity, or other criminal activity, including criminal activity by any family member.

Drug-Related Criminal Activity means: the illegal possession, use, manufacture, or distribution of any controlled substance, including methamphetamines and the supplies/equipment to manufacture them (as defined in the Illinois Controlled Substance Act.).

2. A family must not engage in the abuse of alcohol to the extent that the abuse interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
3. The KCHA may not terminate assistance for such use or possession by a family member, if the family member can demonstrate that he/she:
  - a. Has an addiction to a controlled substance, has a record of such impairment, or is regarded as having such an impairment; and
  - b. Is recovering or has recovered from such an addiction and does not currently use or possess controlled substances. In this instance, the KCHA shall require the family to submit evidence of participation in, or successful completion of a treatment program as a condition of continued assistance for the family or to allow the affected family member to reside in the assisted units.
4. Violent criminal activity includes any criminal activity that has as one of its elements the use, attempted use or threatened use of physical force against the person or property of another.
5. Abuse of alcohol includes behavior or a pattern of behavior of any Section 8 program participant and any family member and/or guest that as a result of the abuse of alcohol interferes with the health, safety, or right of peaceful enjoyment of the premises by other residents.



6. As a measure to determine whether the person has violated this family obligation, one of the following situations must be present:
  - a. There has been an arrest for engaging in drug-related criminal activity or violent criminal activity (as defined above) or other criminal activity, including criminal activity by any family member, which resulted in a conviction within the past twelve (12) months; or
  - b. There must have been an arrest within the prior twelve (12) months for engaging in drug-related criminal activity or violent criminal activity (as defined above) including criminal activity by any family member, which did or did not result in a conviction within the last sixty (60) months; or
  - c. The family has been evicted from federally-assisted housing in the last five (5) years (see 24 CFR Sec. 982.552) for engaging in drug-related criminal activity or violent criminal activity (as defined above) including criminal activity by any family member;
  - d. Drug-related or criminal activity in, on or near the premises by any tenant, household member, or guest, and any such activity engaged in on the premises by any other person in the tenant's control; and
  - e. The KCHA has acquired/been presented with the preponderance of evidence that the family, including any family member, is engaging in drug-related criminal activity or violent criminal activity or other criminal activity or alcohol abuse, regardless of whether the family member has been arrested or convicted for such activity.
7. Families who are guilty of program abuse or fraud in any Federal Housing Assistance program. (This presupposes that the program abuse or fraud is substantiated and that a Repayment Agreement was not entered into.)
8. Families who have violated one of their family obligations.
9. Families who are in default of an executed Repayment Agreement by missing two (2) payments.
10. Families whose Total Tenant Payment is sufficient to pay the full gross rent and where 180 days has elapsed since the KCHA's last HAP payment was made.
11. Families whose appropriate household members do not provide their Social Security information and documentation within the time required and specified by the KCHA.

12. Families who fail to comply with HUD requirements for Assistance to non-citizens.
13. Income limits are solely used to determine eligibility for initial applicants. Income limits are not a consideration for termination of assistance once the family is under lease and contract and already on the program”.

However, the following examples may be reasons for termination of assistance:

- if the family did not report an interim change in family composition or income, etc., which they are required to report within ten (10) days, the KCHA would determine how much the family owed the KCHA, due to the unreported or untimely reported information.
  - if the KCHA entered into a Repayment Agreement with the family, for unreported family income or multiple occasions of unreported income, and the family is current in its payments to the KCHA, there is no reason to terminate the family’s assistance.
  - if the family stops paying on their Repayment Agreement, the family will be under the termination of assistance procedures above.
14. If a participant signs an agreement with an owner/landlord to pay for the owner/ landlord to repair resident-caused HQS fail items, and the participant fails to repay the owner/landlord pursuant to said agreement, assistance may be terminated.
  15. If a household member is fleeing to avoid prosecution, or custody or confinement after prosecution for a crime that is a felony under the law of the place from which the individual flees; or in some states is a high misdemeanor; or violating a condition of probation or parole imposed under State or Federal Law. Note: In New Jersey, a felony is called a high misdemeanor. Therefore, a person fleeing New Jersey to another state is not eligible for public housing.
  16. If a family member has violated or is violating a condition of probation or parole imposed under Federal or State law.
  17. 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.

#### C. ZERO HOUSING ASSISTANCE

1. If the participant’s income increases, resulting in a zero housing assistance payment and the participant is paying the entire contract rent; the participant shall be considered over-income after six (6) consecutive months of zero housing assistance payments. The family will be notified that the zero housing assistance is available for six (6) months. At that time, if there have been no

changes which reflect the ability for the KCHA to provide monetary assistance on the contract, the contract and the family's assistance will be terminated.

2. This determination does not preclude the family from asking to terminate assistance immediately, nor does it impact any rights under the lease.
3. Families whose assistance is terminated under this instance will have to reapply for assistance when KCHA is accepting applications.

D. COMPUTER MATCHING (24 CFR 5.211)

The KCHA along with the Department of Housing and Urban Development will conduct a computer matching initiative in order to provide an independent source for verifying resident income. The matched information regarding income, earnings, wages, or unemployment compensation will be disclosed to the assisted family. The family must take appropriate action. Appropriate action may include, but not necessarily be limited to, review of information with the client and changing the family's rent as needed. If a documented case of fraud is verified, the KCHA will take action to recover excess housing assistance received by the resident due to unreported income.

XIV. UTILITY ALLOWANCES

- A. The Utility Allowance Schedule is used to determine how much credit the assisted family will be given for estimated utility cost. If the family pays for some or all utilities, the Section 8 office will provide the family with a utility allowance. The allowances are based on actual rates and average consumption.
- B. The utility allowance is given as a reduction in the resident's portion of rent to be paid to the owner/landlord. The Total Tenant Payment is reduced by the utility rate since the last revision.
- C. The KCHA's Section 8 office will review the Utility Allowance annually and adjust if there is a ten percent (10%) or more change in the utility rate since the last revision.
- D. Approved utility allowance schedule(s) are provided to families at the briefing sessions when the family receives initial or continued assistance.
- E. The KCHA will use the utility allowance for the lower of the actual size unit rented or the voucher bedroom size, and will consider a special higher utility allowance as reasonable for a disabled person.
- F. Allowances will be established for families who supply the range and refrigerator.

XV. PORTABILITY

## A. OUTGOING HOUSING CHOICE VOUCHERS (PORT OUT)

A housing choice voucher becomes an “outgoing housing choice voucher” when the family holding the voucher decides to and is approved by the KCHA to seek housing outside the jurisdiction of the initial KCHA.

1. Section 8 waiting list applicants who are residents of the KCHA’s jurisdiction may elect to exercise their option to use the portability features of their housing assistance when first leasing.
2. Section 8 waiting list applicants, who reside in areas outside of its jurisdiction (defined above), must utilize their assistance within the jurisdiction for at least twelve (12) months before being able to relocate to another jurisdiction.
3. Family Self-Sufficiency (FSS) program participant(s) must reside in the jurisdiction for at least twelve (12) months.
4. Participants may not port-out if they are in violation of family obligations or if they owe a balance due to the KCHA, relative to the Section 8 or Public Housing programs.
5. A family moving to a jurisdiction outside the initial KCHA jurisdiction is subject to redetermination of eligibility based on the income limits of the receiving housing authority.
6. A participant family moving to another unit within the initial KCHA’s jurisdiction is not subject to redetermination of eligibility based on the income limits.
7. The KCHA follows the portability requirements of 24 CFR 982.353-355 and 982.553-555 and any subsequent regulations, notices, memos or directives from HUD regarding the administration of portability under Section 8.
8. The KCHA will notify the family in writing if the KCHA is denying the family portability.
9. The KCHA will deny portability for the following:
  - If the funds are unavailable to port family to an area where a higher subsidy amount would be paid because of higher payment standards or more generous subsidy standards.
  - If lease has expired
  - If family owes the KCHA money
  - If family’s assistance is pending termination

- If family's annual gross income is more than the receiving PHA's income limit for the family size
10. When a family is allowed to move to another jurisdiction under portability, the initial PHA will:
- a. Contact the Receiving PHA and obtain information for tenant
    - Contact address and phone numbers
    - Income limits
    - Subsidy Standards
    - Payment Standards
  - b. Send (mail or fax) to the Receiving PHA the following information:
    - Copy of Housing Choice Voucher
    - Form HUD-52665 Part 1 completed
    - Form HUD-50058 or Tenant Certification
11. Only the Initial PHA can grant an extension of a Voucher

Subsequent Moves and Portability

24 CFR 982.314(e)(1) provide that, at any time, the KCHA may deny permission to move if the KCHA does not have sufficient funding for an increase in assistance. For instance, a PHA has the authority to deny a family's request to move under the portability procedures to a unit in another jurisdiction that would require the PHA to pay a higher subsidy cost for the same family's assistance if the PHA determines it does not have sufficient funding available under their current fiscal year budget to accommodate such a move and the receiving PHA will not absorb the family into its own program.

B. RECEIVING PHA (see 24 CFR 982.355)

- 1. As the receiving PHA we will provide assistance to porting families unless the family has breached its obligations.
- 2. As the receiving PHA we will screen portable families using the established admission criteria only if the family is not a current participant in the tenant-based program. If screening results in denial or termination of assistance, as the receiving PHA we will notify the initial PHA.
- 3. Portability admissions are counted against the initial PHA's income targeting requirement (75% of extremely low-income admissions) - unless the receiving PHA absorbs the family (24 CFR 982.201).
- 4. As the receiving PHA we will issue the Voucher within two weeks. As the receiving PHA we cannot extend the term of the voucher. Voucher extension shall be obtained in writing from the initial PHA by the family.

5. As the receiving PHA we will refuse to issue a Voucher if the family fails to comply with requests for information and documentation to be supplied to the PHA.

XVI. MOVES WITH CONTINUED TENANT-BASED ASSISTANCE

A. ELIGIBILITY TO MOVE

A participating family is eligible to move if any of the following occur.

1. The assisted lease for the old unit has terminated. This includes a termination because:
  - a. The KCHA has terminated the HAP contract for the owner's/landlord's breach; or
  - b. The lease has terminated by mutual agreement of the owner/landlord and the resident; or
  - c. The lease expired and either the owner/landlord or resident decided not to renew.
2. The owner/landlord has given the resident a notice to vacate.
3. The resident has given proper notice of lease termination after the first year.

B. WHEN A FAMILY CAN AND CANNOT MOVE

1. A participant family may move one time with continued assistance under the program, either inside the jurisdiction or under the portability procedures during any one-year period. (See 24 CFR Sec. 982.353 and Sec 982.314)
2. The family may not move during the initial term of the lease. (See 24 CFR Sec. 982.314)
3. The KCHA may deny a request to move for the following reasons:
  - a. The participant intentionally causes the unit to fail housing quality standards;
  - b. The participant owes the KCHA a balance due; and
  - c. The participant has violated a family obligation.
4. Failure to provide at least thirty (30) days notice may result in termination of assistance.
5. Agreement to Remain in Occupancy



- a. If the family does not locate a new dwelling they may be required to submit an "Agreement to Remain in Occupancy".
  - b. The assisted tenancy may be extended for any period of time mutually agreed upon by the owner/landlord and resident.
  - c. Absence of the Agreement to Remain in Occupancy, and HAP payments and the HAP contract may terminate at the end of the thirty (30)-day Notice to Move issued by the tenant.
6. A family may receive a voucher from a PHA and move to another jurisdiction under the tenant-based assistance program if the family has complied with all other obligations of the Section 8 program and has moved out of the assisted dwelling unit in order to protect the health and safety of an individual who is or has been the victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted dwelling unit.

C. NOTICE OF FAMILY MOVE

1. The owner/landlord is permitted to require the family to give a termination notice of any lease-specified minimum length. (See 24 CFR Sec. 982.309)
2. If the family terminates the lease with proper notice to the owner/landlord, the family must give the KCHA a copy of the notice at the same time.
3. If the family wants to move to a new unit that is located outside the initial KCHA jurisdiction, the notice to the KCHA must specify the area where the family wants to move.

XVII. FAMILY BREAK-UP

A. KCHA DISCRETION

1. The KCHA has discretion to determine which members of an assisted family continue to receive assistance in the program if the family breaks up.
2. The decision to determine who continues to receive the assistance will be made by the Section 8 Coordinator.

B. CRITERIA

The factors to be considered in making this decision may include:

1. Whether the assistance should remain with family members remaining in the original assisted unit;
2. The interest of minor children or of ill, elderly, or disabled family members;
3. Whether family members are forced to leave the unit as a result of actual or threatened physical violence against family members by a spouse or other member of the household; or
4. Other factors specified by the KCHA.

C. COURT ORDERS

If a court determines the disposition of property between members of the assisted family in a divorce or separation under a settlement or judicial decree, the KCHA is bound by the court's determination of which family members continue to receive assistance in the program.

D. REMAINING MEMBER OF TENANT FAMILY

1. The Section 8 office may assist an individual left in an assisted housing unit who may or may not otherwise qualify for assistance under their own circumstances.
2. A single adult (whether elderly or non-elderly, displaced or non-disabled, children in residence/household or no children present) may become the head of household.
3. A live-in aide will not be considered a remaining member of the resident family by definition.

4. A minor child(ren) will not be allowed to retain status of remaining family member(s) unless:
  - a. The court has awarded emancipated minor status to the minor; or
  - b. An income eligible court appointed or legal guardian moves into the unit with the minor child(ren).
5. If both parents must leave the household and the Department of Social Services and/or the Juvenile Court has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, the Section 8 office will treat that adult as a visitor for sixty (60) days.
  - a. After that period, the Section 8 office will determine whether court awarded custody or legal guardianship has been granted to the caretaker.
  - b. If so, the assistance will be transferred to the caretaker.

XVIII. ABSENCE FROM UNIT

A. TIME LIMITS

1. The family may be absent from the unit for brief periods. Generally, the family may not be absent from the unit for a period of more than thirty (30) consecutive calendar days.
2. Generally, the housing assistance payments terminate if the family is absent for longer than thirty (30) days. The term of the HAP contract and assisted lease also terminate.
3. The Executive Director may approve an absence of up to 180 consecutive calendar days for extraordinary reasons, such as military leave.
4. Absence means that no member of the family is residing in the unit.
5. The owner/landlord must reimburse the KCHA for any housing assistance payments for the period after termination.

B. VERIFICATIONS

1. The family must supply any information or certification requested to verify that the family is residing in the unit.
2. The family must promptly notify the KCHA of absence from the unit, including any information requested on the purpose of family absences.
3. The KCHA may adopt appropriate techniques to verify family occupancy or absence, including letters to the family at the unit, phone calls, visits or questions to the landlord or neighbors.

XIX. ADMISSION OF LIVE-IN AIDE OR FOSTER CHILDREN

A. LIVE-IN AIDE

1. The KCHA will permit the live-in aide to reside with a disabled family as long as the live-in aide meets the criteria for the definition of Live-In Aide (see the Definitions section of this Plan).
2. In the case where a live-in aide is arrested at or near the premises of the Section 8 participant for drug-related or violent criminal activity, the KCHA shall advise the Section 8 participant that the live-in aide cannot be housed with the participant.
3. The KCHA will not be required to wait until conviction of the live-in aide, but will use the criteria of preponderance of the evidence.
4. None of the above-mentioned procedures precludes the Section 8 owner/landlord from taking action to initiate termination for good cause.

B. FOSTER CHILDREN

1. Foster children will be allowed as additions to the household if the anticipated length of stay is at least six (6) months.
2. Documentation from the Department of Public Health and Social Services agency responsible for placement must be provided prior to the placement of the child(ren), except in cases of emergency.
3. If the participating family requires a larger size unit, it will be issued as soon as possible.

XX. PROGRAM INTEGRITY

## A. INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

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

1. Referrals, Complaints or Tips. The KCHA will follow up on referrals from other agencies, companies or persons which are received by mail, by telephone or in person, which allege that a family is in non-compliance with, or otherwise, violating the lease or any other program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the participant's file. Anonymous complaints will be investigated whenever possible.
2. Internal File Review. A follow-up will be made if KCHA staff discovers (as a function of a certification or re-certification, an interim redetermination, or a quality control review), information or facts that conflict with previous file data, the KCHA 's knowledge of the family, or is discrepant with statements made by the family.
3. Verification or Documentation. A follow-up will be made if the KCHA receives EIV/UIV verification, independent verification or documentation that conflicts with representations in the family's file (such as public record information, or credit bureau report, or reports from other agencies).

## B. STEPS TO DETECT PROGRAM ABUSE AND FRAUD

1. Quality Control File Reviews. On a random basis an appropriate number of participant files will be reviewed for accuracy and completeness. Such reviews will be completed by a knowledgeable staff member who was not directly involved in the processing of that applicant/participant file. Such reviews shall include, but are not limited to:
  - a. Assurance that verification of all income and deductions is present;
  - b. Changes in reported Social Security Numbers or dates of birth are noted;
  - c. File documents are authentic;
  - d. Ratio between reported income and expenditures is accurately computed; or
  - e. Review of signatures are consistent with previously signed file documents.

2. The KCHA staff (to include inspection personnel) will maintain high awareness of circumstances that may indicate program abuse or fraud, such as unauthorized persons residing in the household and indications of unreported income. The observations will be documented in the family's file.
3. Credit Bureau inquiries may be made (with proper authorization by the participant) in the following circumstances:
  - a. If at the time of the final eligibility determination the information provided by the applicant conflicts with information obtained through outside sources or third-party verifications.
  - b. When an allegation is received by the KCHA wherein unreported income sources are disclosed.
  - c. When participant's expenditures exceed his/her reported income, and no plausible explanation is given.

C. HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD

The KCHA will review allegations that contain one or more independently verifiable facts.

1. An internal file review will be conducted to determine:
  - a. If the subject of the allegation is a Section 8 participant and, if so, to determine if the information reported has been previously disclosed by the family.
  - b. It will then be determined if the KCHA is the most appropriate authority to do a follow-up (more so than police or social service). Any file documentation of past behavior, as well as corroborating complaints, will be evaluated.
2. If at the conclusion of the preliminary file review, there is/are fact(s) contained in the allegation which conflict with file data, and the fact(s) are independently verifiable, the staff will initiate an investigation to determine if the allegation is true or false.

D. INVESTIGATIONS OF ALLEGATIONS OF ABUSE AND FRAUD

If the KCHA determines that an allegation or referral warrants follow-up, the staff person who is responsible for the file will conduct the investigation. The steps taken

will depend upon the nature of the allegation and may include the items listed below. In all cases, the KCHA will secure the written authorization from the resident for the release of information.

1. Credit Bureau Inquiries (CBI). In cases involving previously unreported income sources, a CBI may be made to determine if there is financial activity that conflicts with the reported income of the family.
2. Verification of Credit. In cases where the financial activity conflicts with file data, a Verification of Credit form may be mailed to the creditor in order to determine the unreported income source.
3. Employers and Ex-Employers. Employers or ex-employers may be contacted to verify wages that may have been previously undisclosed or misreported.
4. Neighbors/Witnesses. Neighbors and/or other witnesses may be interviewed if it is believed that they have direct or indirect knowledge of facts pertaining to the KCHA's review.
5. Other Agencies. Investigators, caseworkers or representatives of other benefit agencies may be contacted.
6. Public Records. If relevant, the KCHA will review public records kept in any jurisdictional courthouse. Examples of public records which may be checked are: real estate, marriage, and divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, state wage records, utility records and postal records.
7. Interviews with Head of Household or Other Family Members. The KCHA will discuss the allegation (or details thereof) with the head of household or family member by scheduling an appointment at the KCHA office.

A high standard of courtesy and professionalism will be maintained by the KCHA staff person who conducts such interviews. Under no circumstances will inflammatory language, accusations, or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff person will attend such interviews.

E. EVIDENCE AND STATEMENTS OBTAINED BY THE KCHA

Documents and other evidence obtained by the KCHA during the course of an investigation will be kept in the participant's file, or in a separate "work file."

F. EVALUATION OF THE FINDINGS



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

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

G. ACTION PROCEDURES FOR VIOLATIONS WHICH HAVE BEEN DOCUMENTED

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

1. Procedural Non-Compliance. This category applies when the participant "fails to" observe a procedure or requirement of the KCHA, but does not misrepresent a material fact, and there is no retroactive payments owed by the family.
  - a. Examples of Non-Compliance Violations are:
    - failure to appear at a pre-scheduled appointment;
    - failure to return verification in the time period specified by the KCHA.
  - b. Warning Notice to the Family. In such cases, a notice will be sent to the family which contains the following:
    - a description of the non-compliance and the procedure, policy or obligation which was violated;
    - the date by which the violation must be corrected, or the procedure complied with;
    - the action which will be taken by the KCHA if the procedure or obligation is not complied with by the date specified by the KCHA;
    - the consequences of repeated (similar) violations.
2. Procedural Non-Compliance - Retroactive Payments. When the family owes money to the KCHA for failure to report changes in income or assets, the KCHA will issue a Notification of Overpayment. This notice will contain the following:
  - a. A description of the violation and the date(s);
  - b. Any amounts owed to the KCHA;
  - c. A ten (10) business days response period; and

- d. The right to disagree and to request an informal hearing with instructions for the request of such hearing.
  - Participant Fails to Comply with KCHA 's Notice. If the participant fails to comply with KCHA 's notice, and a material provision of the lease has been violated, the KCHA will initiate termination of tenancy.
  - Participant Complies with KCHA 's Notice. When a participant complies with the KCHA 's notice, the staff person responsible will meet with him/ her to discuss and explain the program provision that was violated. The staff person will complete a participant counseling report, give one copy to the family and retain a copy in the participant's file.

#### H. MISREPRESENTATIONS

When a participant falsifies, misstates, omits, or otherwise, misrepresents a material fact which results (or would have resulted) in an underpayment of participant's share, the KCHA will evaluate whether or not the participant had knowledge that his/her actions were wrong, and the participant willfully violated the lease or the law.

1. Knowledge that the action or inaction was wrong. This will be evaluated by determining if the participant was made aware of program requirements and prohibitions. The participant's signature on various certifications, briefing certificate, Personal Declaration and Things You Should Know are adequate to establish knowledge of wrong-doing.
2. The participant willfully violated the law. Any of the following circumstances will be considered adequate to demonstrate willful intent:
  - An admission by the participant of the misrepresentation;
  - The act was done repeatedly;
  - If a false name or Social Security Number was used;
  - If there were admissions to others of the illegal action or omission;
  - The participant omitted material facts which were known to him/her (e.g., employment of self or other household members);
  - The participant falsified, forged or altered documents; and
  - The participant uttered and certified to statements at a rent (re)determination, which were later independently verified to be false.

#### I. THE PARTICIPANT CONFERENCE FOR SERIOUS VIOLATIONS AND MISREPRESENTATIONS

When the KCHA has established that material misrepresentation(s) has occurred, a Participant Conference will be scheduled with the family representative and the KCHA staff person who is most knowledgeable about the circumstances of the case.

This conference will take place prior to any proposed action by the KCHA. The purpose of such conference is to review the information and evidence obtained by the KCHA with the participant, and to provide the participant an opportunity to explain any documented 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 the KCHA. The participant will be given five (5) business days to furnish any mitigating evidence.

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

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

#### J. DISPOSITION OF CASES INVOLVING MISREPRESENTATION

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

1. Criminal Prosecution: If the KCHA has established criminal intent, and the case meets the criteria for prosecution, the KCHA will refer the case to the local State or District Attorney, notify HUD's Regional Inspector General for Investigations (RIGI), and terminate rental assistance.
2. Administrative Remedies: The KCHA will terminate assistance and demand payment of restitution in-full.
3. KCHA Legal Action: If restitution is not made within thirty (30) days and \$500.00 or more dollars are owed to the KCHA due to participant fraud, the KCHA will seek restitution through legal judicial channels.
4. Continue Assistance: Contingent upon full lump-sum restitution or minimal term repayment plan and warning that repeat of the offense will result in immediate termination of assistance.

#### K. NOTIFICATION TO PARTICIPANT OF PROPOSED ACTION

1. The KCHA will notify the resident, by pre-paid first class mail, of the proposed action no later than seven (7) business days after the Participant Conference.

2. All notices will advise the family of their right to an informal hearing.

XXI. INFORMAL HEARINGS AND REVIEWS

A. DEFINITIONS

1. Informal Review. A review of the KCHA's decision on an applicant's application for participation in the Section 8 Housing Choice Voucher Program in accordance with the procedures outlined below.
2. Informal Hearing. A hearing regarding a decision affecting a participating family in the Section 8 Housing Choice Voucher Program in accordance with the procedures outlined below.
3. Informal Review Officer. A person designated to informally review a decision concerning an application for participation and give his/her decision.
4. Informal Hearing Officer. A person designated to conduct an informal hearing concerning a participant and gives his/her decision.

B. PROCEDURES FOR INFORMAL REVIEW

1. The KCHA shall give an applicant written notice of a decision denying assistance or a decision denying listing on the waiting list within ten (10) calendar days from the date of the decision.
2. The notice shall contain a brief statement of the reason(s) for the decision, that the applicant may submit a signed written request for an informal review of the decision if he/she disagrees with the decision, and that the request must be made within ten (10) calendar days from the date of the notice, and that the applicant should keep proof of making the request.
3. The KCHA may or may not conduct an informal review if the applicant fails to submit his/her request within the time stipulated. If the request is not submitted timely, it shall mean that the applicant waived his/her right to request an informal review.
4. Reasonable accommodations shall be made for applicants who are disabled.
5. The KCHA shall conduct an informal review, provided the applicant submits a proper request for an informal review within the time allowed.
6. Informal Review Officer
  - a. The KCHA shall designate any person or persons as the review officer(s). The power to designate any person or persons as review officer or review officers shall rest with the KCHA.

- b. The person or persons designated as the review officers shall not be the person who made or approved the decision under review or a subordinate of such person.
7. The Informal Review
- a. The proceedings of the review shall be informal and confined to factors relating to program eligibility and a determination of whether the decision of denying assistance to the applicant is justified or not.
  - b. The KCHA shall notify the applicant of the date, time and place of conducting the informal review at least a week prior to the date of the review.
  - c. The applicant shall have the right to present his objections either orally or in writing.
  - d. A representative of the Section 8 Department may be present.
8. The Decision
- a. The review officer or officers shall decide whether the decision denying assistance to the applicant was justified and according to the Federal regulations and rules of the KCHA. This final decision shall be given within seven (7) calendar days from the date of the review.
  - b. The KCHA shall promptly notify the applicant in writing of the final decision, and a brief statement of the reasons for the final decision.
9. Informal Reviews are not required for established policies and procedures and determinations such as:
- a. Discretionary administrative determinations;
  - b. General policy issues or class grievances;
  - c. A determination of the family unit size under the subsidy standards;
  - d. Refusal to extend or suspend a Voucher;
  - e. Disapproval of a lease;
  - f. Determination that a unit is not in compliance with HQS; and
  - g. Determination that a unit is not in accordance with HQS due to family size or composition.

C. PROCEDURES FOR INFORMAL HEARING

1. The KCHA provide participants with the opportunity for an Informal Hearing for decisions related to any of the following determinations:
  - a. Termination of assistance;
  - b. Determination of the family's annual or adjusted income and the calculation of the housing assistance payment;
  - c. Family unit size determination under the subsidy standards;
  - d. Determination to terminate assistance for any reason; and
  - e. Notice of Determination to pay an owner/landlord claim for damages, unpaid rent or vacancy loss.
2. Informal Hearings are not required for established policies and procedures such as:
  - a. Discretionary administrative determinations;
  - b. General policy issues or class grievances;
  - c. Establishment of the schedule of utility allowances;
  - d. Determination not to approve an extension or suspension of a voucher term;
  - e. Determination not to approve a unit or lease;
  - f. Determination that an assisted unit is not in compliance with HQS (the KCHA must provide a hearing for family breach of HQS because that is a family obligation determination);
  - g. Determination that the unit is not in accordance with HQS because of the family size; or
  - h. Determination to exercise or not exercise any right or remedy against the owner/landlord under a HAP contract.

3. Notice to Participant

- a. When decisions are made, the KCHA shall give the participant prompt written notice of the decision made.
- b. The written notice shall contain a brief statement of the reasons for the decision, and a statement that if the participant does not agree with the decision, she/he may request an informal hearing on the decision within ten (10) calendar days from receipt of the notice.
- c. The KCHA may or may not conduct an informal hearing if the participant does not request an informal hearing within the time fixed herein to do so. If the request is not submitted timely, it shall mean that the participant waived his/her right to request an informal hearing.

4. The Hearing Officer

- a. The KCHA will designate any person or persons as hearing officer or hearing officers to conduct the informal hearing. The power to designate a hearing officer shall rest solely with the KCHA.
- b. The hearing officer can be any person other than a person who made or approved the decision under review, or a subordinate of such person.

5. Rights of the Participant

- a. The participant can either appear in person at the hearing, or can be represented by a lawyer or other representative at his/her own expense.
- b. The participant shall have the right to present evidence, both oral and documentary, without regard to admissibility under the rules of evidence applicable to judicial proceedings.
- c. The client shall have the right to arrange for an interpreter to attend the hearing, at the client's expense.

6. Rights of the KCHA

- a. The KCHA can be represented by a lawyer, or any other representative in the informal hearing.



- b. The KCHA can introduce evidence, both oral and documentary, without regard to admissibility under the rules of evidence applicable to judicial proceedings.
- c. The KCHA shall have the right to question any witness examined in the informal hearing and to make final submissions.

7. The Informal Hearing

- a. The hearing officer will regulate the conduct of the hearing in accordance with hearing procedures commonly accepted and followed.
- b. If the participant who requested the informal hearing fails to appear at the hearing on the date set for the hearing without any request for an adjournment on strong grounds, the matter will be decided by the parties that are present, or dismissed immediately with no right for its restoration. The hearing officer may or may not allow an application for adjournment.
- c. The participant will begin his/her case by introducing documents it relies on and by taking oral testimony of witnesses in support of his/her contention.
- d. The KCHA will then begin its defense by introducing documents it relies on and by taking oral statements from witnesses, if necessary, in justification of its decision.
- e. The participant and the KCHA will then close their cases and make final submissions, if they choose to, prior to the decision.

8. The Decision

- a. The hearing officer will consider the evidence introduced by the parties and give such evidence due weight.
- b. Factual determinations relating to the individual circumstances of the participant shall be based on the evidence presented at the hearing.
- c. The decision shall be in writing and based on the facts established, HUD regulations, KCHA policy, and the applicable law.
- d. The decision shall clearly state the reason on which the decision is arrived.
- e. A copy of the decision shall be furnished promptly to the participant.

D. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS"

1. Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decisions on the CIS appeal.
2. Assistance to a family may not be terminated or denied while the KCHA hearing is pending but assistance to an applicant may be delayed pending the KCHA hearing.
3. CIS Determination
  - a. If a family member claims to be an eligible immigrant and the CIS SAVE system and manual search do not verify the claim, the KCHA notifies the applicant or participant within ten (10) days of their right to appeal to the CIS within thirty (30) days or to request an informal hearing with the KCHA either in lieu of or subsequent to the CIS appeal.
  - b. If the family appeals to the CIS, they must give the KCHA a copy of the appeal and proof of mailing or the KCHA may proceed to deny or terminate. The time period to request an appeal may be extended by the KCHA for good cause.
  - c. The request for a KCHA hearing must be made within fourteen (14) days of receipt of the notice offering the hearing or, if an appeal was made to the CIS, within fourteen (14) days of receipt of that notice.
4. After receipt of a request for an informal review/hearing, the review/hearing is conducted as described in section D. of this chapter for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family member(s) the KCHA will:
  - a. Deny the applicant family;
  - b. Defer termination if the family is a participant and qualifies for deferral; and
  - c. Terminate the participant if the family does not qualify for deferral.
5. If there are eligible members in the family, the KCHA will offer to prorate assistance or give the family the option to remove the ineligible member(s).

6. All other complaints related to eligible citizen/immigrant status:
  - a. If any family member fails to provide documentation of certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide.
  - b. Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.
  - c. Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of tenant rent and Total Tenant Payment.
  - d. Families denied or terminated for fraud in connection with the non-citizen rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

E. MITIGATING CIRCUMSTANCES FOR APPLICANTS/PARTICIPANTS WITH DISABILITIES

1. When applicants are denied placement on the waiting list, or the KCHA is terminating assistance, the family will be informed that presence of a disability may be considered as a mitigating circumstance during the informal review process.
2. Examples of mitigating circumstances are:
  - a. A person with a cognitive disorder may not have understood the requirement to report increases in income;
  - b. A person may not understand the need to make regular repayments on a promissory note; and
  - c. Minor criminal records for public drunkenness may be due to medication; prior incarcerations for being disorderly may be emotional disorder.

XXII. REPAYMENT AGREEMENTS

A. ESTABLISHING THE AGREEMENT

1. Repayment Agreements are executed with Section 8 families and owners/landlords who owe the KCHA funds.
2. Repayment Agreements with families may be established if the family did not report all of its income.
3. The Section 8 office may allow no more than two (2) Repayment Agreements with an aggregate total of \$1,000 in Repayment Agreements.
4. Any additional money owed will have to be paid-in-full.

B. ENFORCING REPAYMENT AGREEMENTS

1. The Section 8 office will set up monthly payments on the Repayment Agreements.
2. If the participant is two (2) or more months behind, the participant's assistance may be terminated.
3. If the resident enters into a Repayment Agreement after the execution of the HAP Contract and does not pay, the Section 8 office will require the family to bring their Repayment Agreement current prior to issuance of a Voucher to move to another unit.
4. If the resident refuses to enter into a Repayment Agreement because of a claim paid for unpaid rent, damages, or vacancy loss, the Section 8 office will continue paying HAP in their current unit, but the Section 8 office will refuse to issue a Voucher to move until the family repays the amount owed in-full.
5. The Section 8 office must notify the family of the amount of its liability and inform them of the consequences if they do not pay.

C. INELIGIBILITY FOR REPAYMENT AGREEMENTS

If the Section 8 office determines that the family committed willful and intentional fraud, the Section 8 office will require the family to repay the entire amount in-full or have their assistance terminated.

D. OWNER/LANDLORD FRAUD AND PROGRAM ABUSE

1. When the Section 8 office determines that the owner/landlord has retained Housing Assistance Payments the owner/landlord was not entitled to, the

Section 8 office may reclaim the Housing Assistance Payment amount from future Housing Assistance Payments owed the owner/landlord.

2. If the future Housing Assistance Payments owed are insufficient to recover the amount to be reclaimed, the additional amount(s) may be referred to collection.
3. The Section 8 office will use Chapter 9 of HUD Guidebook 7420.10G as a guide in dealing with owner/landlord fraud and program abuse, which may include barring the owner/landlord from participating in the Section 8 Housing Choice Voucher Program.

XXIII. ADMINISTRATIVE FEE RESERVE (formerly operating reserve) EXPENDITURES STATEMENT

Administrative Fee Reserves

The KCHA maintains an administrative fee reserve for the Section 8 program. The KCHA credits to the administrative fee reserve the total of:

- The amount by which program administrative fees paid by HUD for a fiscal year exceed KCHA's program expenses for the fiscal year, plus
- Interest earned on the administrative fee reserve.

A. REQUIRED USE FOR PROGRAM ADMINISTRATION

1. The Administrative Fee Reserve must first be used to pay Section 8 administrative costs that exceed earned administrative fees for a fiscal year.
2. Projected administrative fees and the Administrative Fee Reserve must cover all projected costs of program administration through the remaining ACC terms.
3. The 2005 Appropriations Act stipulates that administrative fees provided from this appropriation shall only be used for activities related to the provision of Section 8 tenant-based rental assistance, including related development activities.

B. PERMITTED USE FOR OTHER HOUSING PURPOSES

Administrative fee reserve funds may be expended for other housing purposes consistent with the State and local law. If the KCHA anticipates that ongoing fees will not be sufficient for ongoing administrative cost through its ACC terms, an appropriate amount must be retained in the Administrative Fee Reserve for projected administrative cost.

C. BOARD OF COMMISSIONERS APPROVAL FOR ADMINISTRATIVE FEE RESERVE EXPENDITURES

1. The Board of Commissioners shall set a threshold for the amount of annual expenditures that may be made from the Administrative Fee Reserve for other housing purposes without prior approval of the Board.
2. For Administrative Fee Reserve expenditures that exceed the Board threshold, the KCHA Board, as part of its approval, must make an affirmative determination that the expenditures are necessary and reasonable for the other purposes consistent with state and local law.

## XXIV. HOMEOWNERSHIP OPTION

### A. PURPOSE

The KCHA's homeownership option is designed to promote and support homeownership by a "first-time" homeowner – a family that meets the definition in this Plan. It allows one or more members of the family to purchase a home. Section 8 payments supplement the family's own income to facilitate the transition from rental to homeownership. The initial availability of these assistance payments helps the family pay the costs of homeownership, and may provide additional assurance for a lender, so that the family can finance purchase of the home.

Section 8 homeownership assistance for a cooperative homeowner is specifically authorized for both families that are first time cooperative homeowners and families that owned its cooperative unit prior to receiving Section 8 assistance.

### B. FAMILY PARTICIPATION REQUIREMENTS

1. In order to assure a successful transition from rental to homeownership, this program shall be open only to those who have been assisted by the Section 8 rental assistance program, lived in public housing, or resided in another KCHA owned or managed property for at least nine months. During this period (the previous nine months), all program requirements will have been complied with.
2. No more than 25% of the KCHA's vouchers shall be utilized in the homeownership program at any one time.
3. The family is qualified to participate as set forth in Section C of this policy.
4. The unit to be purchased is eligible as set forth in Section D of this policy.
5. The family has satisfactorily completed the required pre-assistance homeownership counseling.
6. If located in a special flood hazard area, the purchaser has obtained flood insurance on the home and agrees to maintain this insurance.

### C. FAMILY ELIGIBILITY REQUIREMENTS

1. The family has been admitted to the Section 8 Housing Choice Voucher program and desires to participate in the homeownership program.

2. At the commencement of homeownership assistance the family must be one of the following:
  - a. A first-time homeowner;
  - b. A cooperative member; or
  - c. A family of which a family member is a person with disabilities, and the use of the homeownership option is needed as a reasonable accommodation so that the program is readily accessible to and usable by such person.
3. At commencement of homeownership assistance for the family, the family must demonstrate that its total annual income (gross income), as determined by the KCHA, of all the adult family members who will own the home at commencement of homeownership assistance is not less than the Federal minimum hourly wage multiplied by 2,000 hours.

Except in the case of an elderly family or a disabled family, the KCHA shall not count any welfare assistance received by the family in determining annual income under this section.

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

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

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

4. The family must demonstrate that one or more adult members of the family who will own the home at commencement of homeownership assistance:
  - a. Is currently employed on a full-time basis (the term "full-time employment" means not less than an average of 30 hours per week); and
  - b. Has been continuously so employed during the year before commencement of homeownership assistance for the family.



This requirement shall be considered fulfilled if:

- a. The family member is self-employed and earning a net income (income after business expenses have been deducted) that equals the federal minimum hourly wage multiplied by 2,000 hours; or
- b. Any employment interruptions either were not the fault of the family member or were for less than 30 days and caused by an effort to improve the family's situation.

The employment requirement does not apply to an elderly family or a disabled family. Furthermore, if a family other than an elderly family or a disabled family, includes a person with disabilities, an exemption from the employment requirement shall be granted if the KCHA determines that an exemption is needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

5. The KCHA shall not commence homeownership assistance for a family if any family member has previously received assistance under the homeownership option, and has defaulted on a mortgage securing debt incurred to purchase the home.
6. Except for cooperative members who have acquired cooperative membership shares prior to commencement of homeownership assistance, no family member has a present ownership interest in a residence at the commencement of homeownership assistance for the purchase of any home.
7. Except for cooperative members who have acquired cooperative membership shares prior to the commencement of homeownership assistance, the family has entered a contract of sale.

D. ELIGIBLE UNITS

1. Any unit that is eligible under the Section 8 rental assistance program is eligible for this program except the restrictions against purchasing a unit owned by the housing authority or precluding a unit occupied by its owner or by a person with any interest in the dwelling unit are not applicable. The types of units eligible are:
  - a. Single family dwellings;
  - b. Condominiums;
  - c. Cooperatives; and

d. Manufactured housing units and their pads.

2. The unit must be either existing or under construction at the time the KCHA determines that the family is eligible for homeownership assistance.
3. The unit must be either a one-unit property or a single dwelling unit in a cooperative or condominium
4. The unit must satisfy the housing quality standards (HQS) and have been inspected by an independent inspector designated and paid for by the family.
5. The seller cannot be someone who has been debarred, suspended, or is subject to a limited denial of participation by HUD.

E. SEARCHING FOR A NEW HOME

Because the financial health of the KCHA's Section 8 program depends upon having units either under lease or being purchased, it is necessary for the KCHA to limit the amount of time a family can take between the time a Housing Choice Voucher is issued to the family and the time a home is identified that the family wishes to purchase. Normally, families will have up to sixty (60) days to locate an appropriate property and notify the housing authority. If extraordinary difficulties are encountered, the family can request up to two (2) thirty (30) day extensions that may be granted at the sole discretion of the KCHA. If an extension is requested and granted, the family will orally report to the housing authority every two weeks to update the KCHA on the progress of its search.

Once a suitable property has been identified and an agreement to purchase contract entered into, the KCHA will determine a maximum time in which the closing must occur and the family to take occupancy of the property. This time frame will vary depending on market conditions.

If the family is unable to locate a suitable home to purchase, it can request that the Housing Choice Voucher be converted into a rental assistance voucher. This request must be made before the voucher expires. Approval of the request will be at the sole discretion of the KCHA with the decision being based on the effort exerted by the family and the condition of the marketplace.

Additional time will be granted to a disabled family as a reasonable accommodation if justified by the family's actions and/or marketplace conditions.

F. HOMEOWNERSHIP COUNSELING

Before the commencement of homeownership assistance for a family, the family must attend and satisfactorily complete a pre-assistance homeownership and housing counseling program required by the KCHA (pre-assistance counseling). If possible, the counseling will be conducted by a HUD-approved counseling agency.

If this is not available, the housing authority shall make other arrangements for the pre-assistance counseling.

Among the topics to be covered in the PHA-required assistance counseling program are:

1. Home maintenance (including care of the grounds);
2. Budgeting and money management;
3. Credit counseling;
4. How to negotiate the purchase price of a home;
5. How to obtain homeownership financing and loan pre-approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing;
6. How to find a home, including information about homeownership opportunities, schools, and transportation in the PHA jurisdiction.
7. Advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate home in such areas;
8. Information on fair housing, including fair housing lending and local fair housing enforcement agencies; and
9. Information about the Real Estate Settlement Procedures Act (RESPA), state and federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions.

The KCHA will also offer additional counseling after commencement of homeownership assistance (ongoing counseling). This counseling will be voluntary for all homeownership assistance recipients except those requesting their second, fourteenth and fifteenth years of assistance. The reason for this mandatory counseling is to make sure the families are either off to a good start or preparing for the termination of their assistance.

#### G. HOME INSPECTIONS

The KCHA will not commence homeownership assistance for a family until it has inspected the unit and has determined that the unit passes HQS.

The unit must also be inspected by an independent professional inspector selected by and paid by the family. The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical, and heating systems. The

independent inspector must be qualified to report on property conditions, including major building systems and components. The KCHA may not require the family to use an independent inspector selected by the housing authority. The independent inspector may not be a housing authority employee or contractor, or other person under the control of the housing authority. The independent inspector shall be certified by the American Society of Home Inspectors or one whose inspections are accepted by three local lenders. It shall be the responsibility of the inspector to provide verification of his/her certification.

The independent inspector must provide a copy of the inspection report both to the family and to the KCHA. The housing authority will not commence homeownership assistance for the family until it has reviewed the inspection report of the independent inspector. Even if the unit otherwise complies with the HQS (and may qualify for assistance under the KCHA's tenant-based rental voucher program), the housing authority shall have discretion to disapprove the unit for assistance under the homeownership option because of information in the inspection report.

#### H. CONTRACT OF SALE

Before commencement of homeownership assistance, a member or members of the family must enter into a contract of sale with the seller of the unit to be acquired by the family. The family must give the KCHA a copy of the contract of sale.

The contract of sale must:

1. Specify the price and other terms of sale by the seller to the purchaser.
2. Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser.
3. Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser.
4. Provide that the purchaser is not obligated to pay for any necessary repairs.
5. Contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation.

#### I. FINANCING THE PURCHASE OF THE HOME

1. A purchasing family must invest at least three percent of the purchase price of the home they are buying in the property. This can take the form of either a down payment, closing costs, or a combination of the two. Of this sum, at least one percent of the purchase price must come from the family's personal resources.

2. The family must qualify for the mortgage loan under a lender's normal lending criteria taking into account the fact that this is by definition a low-income family.
3. If the home is purchased using FHA mortgage insurance, it is subject to FHA mortgage insurance requirements.
4. If the loan is financed either by the seller or a non-traditional mortgage lending institution or individual, the loan shall be subject to the review of the KCHA. The housing authority may verify that there are no unusual or onerous requirements in the loan documents and that the mortgage is affordable to the purchasing family. Also, the lender must require that an appraisal of the property is conducted and the appraiser must determine that the property is worth at least as much as the purchaser is paying.
5. Unless the purchaser can convince the KCHA of unusual circumstances, no balloon payment mortgages or variable rate mortgages shall be allowed in the program.
6. All mortgage loans must close within the period of time established by the KCHA at the time the purchaser and seller enter into their sale contract.

J. REQUIREMENTS FOR CONTINUING ASSISTANCE

Homeownership assistance will only be paid while the family is residing in the home. If the family moves out of the home, the KCHA may not continue homeownership assistance after the month when the family moves out. The family or lender is not required to refund to the KCHA the homeownership assistance for the month when the family moves out.

The family must comply with the following obligations:

1. The family must attend and complete ongoing homeownership and housing counseling before the end of the first, thirteenth and fourteenth years of assistance in order for assistance to continue.
2. The family must comply with the terms of any mortgage securing debt incurred to purchase the home (or any refinancing of such debt).
3. As long as the family is receiving homeownership assistance, use and occupancy of the home is subject to the following requirements:
  - a. The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

- b. The composition of the assisted family residing in the unit must be approved by the KCHA. The family must promptly inform the housing authority of the birth, adoption or court-awarded custody of a child. The family must request housing authority approval to add any other family member as an occupant of the unit. No other person (i.e., nobody but members of the assisted family) may reside in the unit (except for a foster child or live-in aide).
  - c. The family must promptly notify the KCHA if any family member no longer resides in the unit.
  - d. If the KCHA has given approval, a foster child or a live-in aide may reside in the unit.
  - e. Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit for residence by members of the family.
  - f. The family must not sublease or let the unit.
  - g. The family must not assign the lease or transfer the unit.
  - h. The family must supply any information or certification requested by the housing authority to verify that the family is living in the unit, or relating to family absence from the unit, including any housing authority requested information or certification on the purposes of family absences. The family must cooperate with the housing authority for these purposes. The family must promptly notify the housing authority of their absence from the unit.
- 4. The family may grant a mortgage on the home for debt incurred to finance purchase of the home or any refinancing of such debt.
  - 5. Upon death of a family member who holds, in whole or in part, title to the home or ownership of cooperative membership shares for the home, homeownership assistance may continue pending settlement of the decedent's estate, notwithstanding transfer of title by operation of law to the decedent's executor or legal representative, so long as the home is solely occupied by remaining family members in accordance with Paragraph 3 above. In the case of a divorce or family separation, the assistance shall follow what a court decrees.
  - 6. The family shall supply the KCHA with any required information requested by the housing authority. In particular this shall include information relating to the following:
    - a. Citizenship or related immigration matters;

- b. Family income and composition;
  - c. Social security numbers;
  - d. Any mortgage or other debt placed on the property;
  - e. Any sale or other transfer of any interest in the home; and
  - f. The family's homeownership expenses.
- 7. The family must notify the housing authority before the family moves out of the home.
  - 8. The family must notify the KCHA if the family defaults on a mortgage securing any debt incurred to purchase the home.
  - 9. During the time the family receives homeownership assistance under this program, no family member may have any ownership interest in any other residential property.
  - 10. Before commencement of homeownership assistance, the family must execute a statement of family obligations in the form prescribed by HUD. In the statement, the family agrees to comply with all family obligations under the homeownership option.
  - 11. The family must secure the written permission of the KCHA before it refinances any debt secured by the home or places any additional secured debt on the property.
  - 12. The family must assure the KCHA that all real estate taxes were paid on a timely basis. If they are not paid, assistance shall be terminated.

K. MAXIMUM TERM OF HOMEOWNERSHIP ASSISTANCE

- 1. Except in the case of a family that qualifies as an elderly or disabled family, family members shall not receive homeownership assistance for more than fifteen years if the initial mortgage incurred to finance purchase of the home has a term of 20 years or longer; or ten years, in all other cases.
- 2. The maximum term described in the proceeding paragraph applies to any member of the family who has an ownership interest in the unit during the time the homeownership payments are made or is the spouse of any member of the household who has an ownership interest during the time the homeownership payments are made.

3. As noted in Paragraph 1 of this Section, the maximum homeownership assistance term does not apply to elderly and disabled families. In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of homeownership assistance. In the case of a disabled family, the exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family. If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date homeownership assistance commenced. However, such a family must be provided at least 6 months of homeownership assistance after the maximum term becomes applicable (provided the family is otherwise eligible to receive homeownership assistance in accordance with this program).
4. If the family has received such assistance for different homes, or from different housing authorities, the total of such assistance terms is subject to the maximum term described in Paragraph 1 of this section.

L. AMOUNT AND DISTRIBUTION OF HOMEOWNERSHIP ASSISTANCE

1. While the family is residing in the home, the KCHA shall pay a monthly homeownership assistance payment on behalf of the family that is equal to the lower of:
  - a. The payment standard minus the total tenant payment; or
  - b. The family's monthly homeownership expenses minus the total tenant payment.
2. The payment standard for a family is the lower of:
  - a. The payment standard for the family unit size; or
  - b. The payment standard for the size of the home.

If the home is located in an exception payment standard area, the KCHA will use the appropriate payment standard for the exception payment standard area.

The payment standard for a family is the greater of:

- a. The payment standard (as determined in accordance with Paragraph 1 of this section) at the commencement of homeownership assistance for occupancy of the home; or
- b. The payment standard (as determined in accordance with Paragraph 1 of this section) at the most recent regular reexamination of family income



and composition since the commencement of homeownership assistance for occupancy of the home.

The KCHA will use the same payment standard schedule, payment standard amounts, and subsidy standards for the homeownership option as for the rental voucher program.

3. A family's homeownership expenses shall include the following items:
  - a. Principal and interest on initial mortgage debt, any refinancing of such debt, and any other mortgage insurance premium incurred to finance purchase of the home;
  - b. Real estate taxes and public assessments on the home;
  - c. Home insurance;
  - d. Maintenance expenses of \$30.00 per month;
  - e. An allowance of \$20.00 a month for costs of major repairs and replacements;
  - f. The KCHA's utility allowance for the home; and
  - g. Principal and interest on mortgage debt incurred to finance costs for major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if the housing authority determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person.
4. Homeownership expenses for a cooperative member may only include amount to cover:
  - a. The cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home.
  - b. Principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt;
  - c. Home insurance;
  - d. The PHA allowance for maintenance expenses;

- e. The PHA allowance for costs of major repairs and replacements;
  - f. The PHA utility allowance for the home; and
  - g. Principal and interest on debt incurred to finance major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if the housing authority determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person.
- 5. If the home is a cooperative or condominium unit, homeownership expenses may also include cooperative or condominium operating charges or maintenance fees assessed by the condominium or cooperative homeowner association.
  - 6. The KCHA will pay homeownership assistance payments directly to the lender on behalf of the family unless the lender does not want the payment to be made directly to them. If there is any excess assistance, it will be paid to the family.
  - 7. Homeownership assistance for a family terminates automatically 180 calendar days after the last housing assistance payment on behalf of the family. However, the KCHA retains the discretion to grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the family.

**M. HOMEOWNERSHIP PORTABILITY**

- 1. A family may qualify to move outside the initial KCHA's jurisdiction with continued homeownership assistance under the voucher program. Families determined eligible for homeownership assistance by the KCHA may purchase a unit outside our jurisdiction, if:
  - a. They meet our normal requirements for portability under the rental program;
  - b. The receiving housing authority is administering a voucher homeownership program and the family meets the receiving housing authority's eligibility requirements; and

- c. The receiving housing authority is accepting new homeownership families.
2. Conversely, if the KCHA has slots open in our homeownership program we will accept homeowners exercising portability from another program and absorb such families if possible.
3. In general, the portability procedures described previously in this Administrative Plan apply to the homeownership option. The administrative responsibilities of the initial and receiving housing authorities are not altered except that some administrative functions (e.g., issuance of a voucher or execution of a tenancy addendum) do not apply to the homeownership option.
4. The family must attend the briefing and counseling sessions required by the receiving housing authority. The receiving housing authority will determine whether the financing for, and the physical condition of the unit, are acceptable. The receiving housing authority must promptly notify the initial housing authority if the family has purchased a home within the maximum time established by the housing authority.

N. MOVING WITH CONTINUED TENANT-BASED ASSISTANCE

1. A family receiving homeownership assistance may move to a new unit with continued tenant-based assistance. The family may move either with voucher rental assistance (in accordance with rental assistance program requirements) or with voucher homeownership assistance (in accordance with homeownership option program requirements). The KCHA will not commence continued tenant-based assistance for occupancy of the new unit so long as any family member owns any title or other interest in the prior home. No more than one move per year may occur in the program.
2. The KCHA must be able to determine that all initial requirements have been satisfied if a family that has received homeownership assistance wants to move to a new unit with continued homeownership assistance. However, the following requirements do not apply:
  - a. The requirement for pre-assistance counseling is not applicable
  - b. The requirement that a family must be a first-time homeowner is not applicable.
3. The KCHA may deny permission to move with continued assistance in the following circumstances.

- a. The KCHA may deny permission to move with continued rental or homeownership assistance if the housing authority determines that it does not have sufficient funding to provide continued assistance.
- b. At any time, the KCHA may deny permission to move with continued rental or homeownership assistance in accordance with the next Section.

O. DENIAL OR TERMINATION OF ASSISTANCE FOR FAMILIES

1. At any time, the KCHA may deny or terminate homeownership assistance in accordance with the same rules as it utilizes for the rental program.
2. The same restrictions on admission or continued assistance in regards to criminal activities shall apply to the homeownership program as the rental program.
3. The KCHA may deny or terminate assistance for violation of participant obligations as previously described for the rental program.
4. The PHA shall terminate voucher homeownership assistance for any member of family receiving homeownership assistance that is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage (whether FHA-insured or non-FHA) securing debt incurred to purchase the home, or any refinancing of such debt. The KCHA in its discretion, may permit the family to move to a new unit with continued voucher rental assistance if the family can show that the default was for reasons beyond its control. However, the housing authority will deny such permission, if:
  - a. The family defaulted on an FHA-insured mortgage; and
  - b. The family fails to demonstrate that:
    - The family has conveyed title to the home, as required by HUD, to HUD, or HUD's designee; and
    - The family has moved from the home within the period established or approved by HUD.

P. RECAPTURE OF HOMEOWNERSHIP ASSISTANCE

1. The KCHA shall recapture a percentage of the homeownership assistance provided to the family upon the family's sale or refinancing of the home.
2. Upon purchase of the home, a family receiving homeownership assistance shall execute documentation as required by HUD, and consistent with State and local law, that secures the KCHA's right to recapture the homeownership assistance in accordance with this section. The lien securing the recapture of

homeownership subsidy may be subordinated to a refinanced mortgage at the discretion of the housing authority.

3. In the case of the sale of the home, the recapture shall be in an amount equaling the lesser of:
  - a. The amount of homeownership assistance provided to the family, adjusted as described in Paragraph 6 of this section; or
  - b. The difference between the sales price and purchase price of the home, minus:
    - The costs of any capital expenditures;
    - The costs incurred by the family in the sale of the home (such as sales commission and closing costs);
    - The amount of the difference between the sales price and purchase price that is being used, upon sale, towards the purchase of a new home under the Section 8 homeownership option; and
    - Any amounts that have been previously recaptured, in accordance with this section.
4. In the case of a refinancing of the home, the recapture shall be in an amount equaling the lesser of:
  - a. The amount of homeownership assistance provided to the family, adjusted as described in Paragraph 6 of this section;
  - b. The difference between the current mortgage debt and the new mortgage debt; minus:
    - The costs of any capital expenditures;
    - The costs incurred by the family in the refinancing of the home (such as closing costs); and
    - Any amounts that have been previously recaptured as a result of refinancing.
5. The recapture amount shall be determined using the actual sales price of the home, unless the sale is to an identity-of-interest entity. In the case of identity-of-interest transactions, the housing authority shall establish a sale price based on fair market value.
6. The amount of homeownership assistance subject to recapture will automatically be reduced over a 10-year period, beginning one year from the purchase date, in annual increments of 10 percent. At the end of the 10 year period, the amount of homeownership assistance subject to recapture will be zero.

XXV. PROJECT BASED VOUCHERS

The KCHA Project Based Voucher Policy is made part of the Knox County Housing Authority Section 8 Administrative Plan and is incorporated in this document by reference. Please see Appendix A – Project Based Voucher Policy.

Z:\2010\Authority Plans and Policies\Consortium Partners\Knox Co. (Galesburg, IL)\Authority Policies\Current Plans\Section 8 Adm. Plan\Knox Co. (Galesburg, IL) - FINAL Section 8 Adm. Plan with changes - Sep 1 2010.DOC

## GLOSSARY

## Acronyms Used in Subsidized Housing

ACC	Annual Contributions Contract.
BR	Bedroom
CDBG	Community Development Block Grant
CFR	Code of Federal Regulations. Commonly referred to as the regulations. The CFR is the compilation of Federal rules which are first published in the Federal Register and define and implement statute.
CPI	Consumer Price Index. CPI is published monthly by the Department of Labor as an inflation indicator.
CR	Contract Rent
EBL	Elevated Blood-Lead Level
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration
FICA	Federal Insurance Contributions Act - Social Security taxes
FMHA	U.S. Department of Rural Development (formerly: Farmers Home Administration)
FMR	Fair Market Rent
FSS	Family Self-Sufficiency
FY	Fiscal Year
FYE	Fiscal Year End
GAO	Government Accounting Office
GFC	Gross Family Contribution. Note: Has been replaced by the term Total Tenant Payment (TTP).
GR	Gross Rent
HA	Housing Agency
HAP	Housing Assistance Payment
HAP Plan	Housing Assistance Plan
HCDA	Housing and Community Development Act
HCVPHousing	Housing Choice Voucher Program

HQS	Housing Quality Standards
HUD	The Department of Housing And Urban Development
HURRA	Housing and Urban/Rural Recovery Act of 1983
HV	Housing Voucher
IG	Inspector General
IGR	Independent Group Residence
IPA	Independent Public Accountant
IRA	Individual Retirement Accountant
KCHA	Knox County Housing Authority
MSA	Metropolitan Statistical Area established by the U.S. Census Bureau
PHA	Public Housing Authority
PMSA.	A Primary Metropolitan Statistical Area established by the U.S. Census Bureau
PS	Payment Standard
QHWRA	Quality Housing and Work Responsibility Act
QC	Quality Control
RTA	Request for Tenancy Approval
RFP	Request for Proposal
RRP	Rental Rehabilitation Program
SEMAP	Section 8 Management Assessment Program
SRO	Single Room Occupancy
SSMA	Standard Statistical Metropolitan Area. Has been replaced by MSA, Metropolitan Statistical Area
TR	Tenant Rent
TTP	Total Tenant Payment
UA	Utility Allowance
UARP	Utility Allowance Reimbursement Payment
URP	Utility Reimbursement Payment



## **DEFINITIONS**

### **Housing Choice Voucher Program**

#### Absorption

In portability, the point at which the receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

#### Accessible

1. When used with respect to the design, construction, or alteration of a facility or a portion of a facility other than an individual dwelling unit, means that the facility or portion of the facility when designed, constructed or altered, can be approached, entered, and used by individuals with physical disabilities. The phrase "accessible to and usable by" is synonymous with accessible.
2. When used with respect to the design, construction, or alteration of an individual dwelling unit, means that the unit is located on an accessible route, and when designed, constructed, altered or adapted, can be approached, entered, and used by individuals with physical disabilities.

A unit that is on an accessible route and is adaptable and otherwise in compliance with the standards set forth in 24 CFR, Part 8, Section 8.32, is "accessible" within the meaning of this paragraph 2.

When a unit in an existing facility which is being made accessible as a result of alterations is intended for use by a specific qualified individual with disabilities (e.g., a current occupant of such unit or of another unit under the control of the same recipient, or an applicant on a waiting list), the unit will be deemed accessible if it meets the requirements of applicable standards that address the particular disability or impairment of such person.

#### Accessible Route

A continuous unobstructed path connecting accessible elements and spaces in a building or facility that complies with the space and reach requirements of applicable standards prescribed by 24 CFR, Part 8, Section 8.32.

An accessible route that serves only accessible units occupied by persons with hearing or vision impairments need not comply with those requirements intended to effect accessibility for persons with mobility impairments.

#### Adaptability

The ability of certain elements of a dwelling unit, such as kitchen counters, sinks, and grab bars, to be added to, raised, lowered, or otherwise altered, to accommodate the needs of persons with or without disabilities, or to accommodate the needs of persons with different types or degrees of disability.

For example, in a unit adaptable for a hearing-impaired person, the wiring for visible emergency alarms may be installed, but the alarms need not be installed until such time as the unit is made ready for occupancy by a hearing-impaired person.

Adjusted Income means Annual Income less the following allowances, determined in accordance with HUD instructions:

1. \$480 for each Dependent;
2. \$400 for any Elderly Family;
3. For any family that is not an Elderly Family or disabled family, but has a member other than the head of household or spouse, Disabled Assistance Expenses in excess of three percent (3%) of Annual Income, but this allowance may not exceed the employment income received by Family members who are 18 years of age or older, as a result of the assistance to the Disabled Person;
4. For any Elderly or Disabled Family;
  - a. That has no disability assistance expenses, an allowance for Medical Expenses, equal to the amount by which the Medical Expenses exceed three percent (3%) of Annual Income;
  - b. That has Disability Assistance Expenses greater than or equal to three percent (3%) of Annual Income, an allowance for Disability Assistance expenses computed in accordance with paragraph 3, above, plus an allowance for medical expenses, that is equal to the Family's Medical Expenses;
  - c. That has Disability Assistance Expenses that are less than three percent (3%) of Annual Income, an allowance for combined Disability Assistance Expenses and Medical Expenses, that is equal to the amount by which the sum of these expenses exceeds three percent (3%) of Annual Income, and

#### Admission

The effective date of the first HAP contract for a family (first day of initial lease term) in a resident-based program. This is the point when the family becomes a participant in the program.

#### Annual Contributions Contract (ACC)

A contract under the Housing Act of 1937, as amended, between HUD and the PHA, containing the terms and conditions under which the Department assists the PHA in providing decent, safe, and sanitary housing for low-income families.

The ACC must be in a form prescribed by HUD, under which HUD agrees to provide assistance in the development, modernization, and/or operation of a low-income housing development under the Act, and the PHA agrees to develop, modernize, and operate the development in compliance with all provisions of the ACC and the Act, and all HUD regulations and implementing requirements and procedures.

A written agreement between HUD and a PHA to provide annual contributions to the PHA to cover housing assistance payments and other expenses pursuant to the Act.

#### Annual Income

1. Annual Income means all amounts, monetary or not, which:
  - a. Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
  - b. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
  - c. Which are not specifically excluded in this section.
  - d. Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.
2. Annual Income includes, but is not limited to:
  - a. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
  - b. 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;
  - c. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness and an allowance for depreciation of capital assets shall not be used as deductions in determining the net income. An allowance for depreciation is permitted only as authorized in the paragraph immediately above this paragraph. 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;
  - d. The full amount of periodic payments 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 under Annual Income exclusions);
  - e. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (but see the paragraph on lump sum additions to family assets, below).
  - f. Welfare Assistance. If the Welfare Assistance payment includes an amount specifically designated for shelter and utilities, and such amount is subject to adjustment by the Welfare Assistance agency in accordance with the actual cost of shelter and utilities, the amount of Welfare Assistance income to be included, as income shall consist of:
    - (1) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus
    - (2) The maximum amount that the Welfare Assistance Agency could in fact allow the family for shelter and utilities. If the family's Welfare Assistance is ratably

reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

- g. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.
- h. All regular pay, special pay and allowances of a member of the Armed Forces (but see paragraph below, on special pay to an Armed Forces person exposed to hostile fire).
- 3. Annual Income does not include the following (**Exclusions**):
  - a. Income from the employment of children (including foster children) under the age of 18 years;
  - b. Payment received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the resident family, who are unable to live alone);
  - c. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and Workers' Compensation), capital gains and settlement for personal or property losses (but see the paragraph on payments in lieu of earnings, above).
  - d. Amounts received by the family that is specifically for, or in reimbursement of, the cost of medical expenses for any family member;
  - e. Income of a Live-In Aide, as defined in the regulations, who is a person who resides with an Elderly, Disabled Person or Persons and who:
    - (1) Is determined to be essential to the care and well-being of the Person(s);
    - (2) Is not obligated for the support of the Person(s); and
    - (3) Would not be living in the unit except to provide the necessary supportive services.
  - f. The full amount of student financial assistance paid directly to the student or to the educational institution;
  - g. The special pay to a Family member serving in the Armed Forces who is exposed to hostile fire;
  - h. Amounts received under training programs funded by HUD;
  - i. 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); or
  - j. Amounts received by a participant in other publicly assisted programs which is 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;
  - k. *A resident service stipend.* A resident service stipend is a modest amount (not to exceed \$200 per month) received by a public housing resident for performing a service for the PHA, on a part-time basis, that enhances the quality of life in public housing. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No Resident may receive more than one such stipend during the same period of time;
  - l. 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;
- m. Temporary, nonrecurring or sporadic income (including gifts);
  - n. 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;
  - o. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
  - p. Adoption assistance payments in excess of \$480 per adopted child;
  - q. Deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum payment, or in prospective monthly amounts;
  - r. 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;
  - s. 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;
  - t. 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 the United States Housing Act of 1937, including the following:
    - (1) The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977. [7 United States Code (USC) ' 2017 (b)];
    - (2) Payment to volunteers under the Domestic Volunteer Service Act of 1973. [42 USC ' 5044(g), ' 5058];
    - (3) Payments received under the Alaska Native Claims Settlement Act. [43 USC ' 1626(c)];
    - (4) Income derived from certain sub-marginal land of the United States, is held in trust for certain Indian tribes. [25 USC ' 459(e)];
    - (5) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program. [42 USC ' 8624(f)];
    - (6) Payments received under programs funded in whole or in part under the Job Training Partnerships Act. [29 USC ' 1552(b)];
    - (7) Income derived from the disposition of funds of the Grand River Band of Ottawa Indians. [Public Law (P.L.) 94-540, 90 Stat. 2503-2504];
    - (8) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims [25 USC ' 1407-1408], or from funds held in trust for an Indian tribe by the Secretary of the Interior. [25 USC ' 117b, 1407];
    - (9) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs [20 USC ' 1087uu]. Since Pell Grants are funded under Title IV, PHAs should exclude the FULL value of any Pell Grant. These changes are effective 10-1-92;
    - (10) Payments received from programs funded under Title V of the Older Americans Act of 1965. [42 USC ' 3056(f)];

- (11) Payments received on and after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the Aln Re Agent Orange product liability litigation. [M.D.L. No. 381 (E.D.N.Y.);
  - (12) Payments received under the Maine Indian Claims Settlement Act of 1980. [P.L. 96-420, 94 Stat. 1785];
  - (13) 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 USC ' 9858q]. This change was effective November 4, 1992;
  - (14) Earned Income Tax Credit (EITC) refund payments received after January 1, 1991. [USC ' 32(j)];
  - (15) Deferred Periodic Payments of Social Security and Supplemental Security Income (SSI) received after October 28, 1992. This lump sum payment may represent the accumulation of periodic payments from a preceding period. Collections activity on deferred periodic payments regardless of when they were received. See Notice PIH 93-11 issued March 16, 1993;
  - (16) Holocaust reparations received after April 23, 1993. [42 USC ' 1437a, ' 1437d, ' 1437n and ' 3535(d)].
4. If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period may be annualized, subject to a re-determination at the end of the shorter period.

#### Applicable Surface

All intact and non-intact interior and exterior painted surfaces of a residential structure (with reference to lead-based paint poisoning prevention).

#### Applicant

Applicant, or applicant family. A family that has applied for admission to a program but is not yet a participant in the program.

#### Assisted Lease

A written agreement between an owner/landlord and a Family for the leasing of a dwelling unit by the owner/landlord to the Family under a Housing Assistance Contract between the owner/landlord and the PHA.

In the case of cooperative of mutual housing, "lease" means the occupancy agreement or other written agreement establishing the conditions for occupancy of the unit.

#### Auxiliary Aids

Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving Federal financial assistance.

For example, auxiliary aids for persons with impaired vision may include readers, Braille materials, audio recordings, and other similar services and devices.

Auxiliary aids for persons with impaired hearing may include telephone handset amplifiers, telephones compatible with hearing aids, telecommunication devices for deaf persons (TDD's), interpreters, note takers, written materials, and other similar services and devices.

Child

A member of the family, other than the family head or spouse, who is under 18 years of age.

Childcare Expenses

Amounts anticipated being paid by the Family for the care of children under thirteen (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 be gainfully employed, to actively seek employment or to further his or her education, and only to the extent such amounts are not reimbursed.

The amount deducted shall reflect reasonable charges for childcare, and in the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of income.

Reasonable childcare expenses, as defined by the PHA, shall not exceed the actual costs incurred.

Citizen

A citizen (by birth or naturalization) or national of the United States.

Codes

Includes building codes, housing codes, health and safety codes, sanitation codes and any law, ordinance or governmental regulation concerning fitness for habitation, or the construction, maintenance, operation, occupancy or use of a dwelling unit.

Common Space

Space available for use by assisted families and other occupants of the unit.

Consolidated ACC

Consolidated annual contributions contract. See ' 982.151.

Contiguous MSA

In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

Continued Assistance Family

This is a mixed family who meets all the following requirements:

1. The family was receiving assistance under a Section 214 covered program on June 19, 1995, and
2. Whose head of the household or spouse has eligible immigration status according to the requirements of the restrictions on assistance to non-citizen, and
3. The family does not include any person (who does not have eligible immigration status) other than:
  - The head of the household;
  - Any spouse of the head of the household;

- Any parents of the head of the household;
- Any parents of the spouse;
- Any children of the head of the household or spouse.

This does not define Afamily for purposes of eligibility at the PHA (see AFamily in this Definition section.)

A family entitled to continued assistance before November 29, 1996 is entitled to continued assistance as described in the above paragraph. A family entitled to continued assistance after November 29, 1996 shall receive prorated assistance as described in section 5.520.

#### Continuously Assisted

An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the Housing Choice Voucher Program.

#### Contract Rent

The total amount of rent specified in the Housing Assistance Payments (HAP) Contract as payable to the owner/landlord by the Family, and by HUD or the PHA on the Family's behalf.

The monthly rent which an owner/landlord is entitled to receive for the leasing of a Manufactured Home Space to an Assisted Family, including any separate fees or charges. This rent includes the maintenance and management services described in the definition of Manufactured Home Space, but excludes ongoing utility charges. Separate fees or charges for services or facilities not included in the definition of Manufactured Home Space shall be included in the Contract Rent only if their payment is required as a condition of the leasing of the Manufactured Home Space. In the case of a cooperative Manufactured Home park, "Contract Rent" means the charges under the occupancy agreements between the members and the cooperative.

#### Contract of Participation

A contract in a form approved by HUD, entered into between a participating family and a PHA operating an FSS program that sets forth the terms and conditions governing participation in the FSS program. The contract of participation includes all individual training and services plans entered into between the PHA and all members of the family who elect to participate in the FSS program, and which plans are attached to the contract of participation as exhibits.

#### Controlled Substance

Any drug or other substance, or immediate precursor included in the definition in Section 102 of the Controlled Substances Act (21 U.S.C. 802).

#### Dating Violence

The term 'dating violence means violence committed by a person (A) who is or has been in a social relationship of a romantic or intimate nature with the victim, and (B) where the existence of such a relationship shall be determined based on a consideration of the following factors: (i)



the length of the relationship; (ii) the type of relationship; (iii) the frequency of interaction between the persons involved in the relationship.

Decent, Safe and Sanitary Housing

Housing is decent, safe and sanitary if the requirements of 982.401 are met (Housing Quality Standards).

Defective Paint Surface

Paint on applicable surfaces that are cracking, scaling, chipping, peeling or loose (with reference to lead-based paint poisoning prevention).

Dependent

A member of the Family household (except foster children and foster adults) other than the Family head or spouse, who is under 18 years of age or is a person with a disability, or is a full-time student.

Deposit

Means an amount of currency or an instrument delivered to the owner/landlord by the resident as a pledge to abide by terms or conditions of the rental agreement.

Dilapidated Housing

See the definitions of Substandard Housing.

Disability Assistance Expenses

Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

Disabled Person or Family

A person or family whose head, spouse, or sole member is a person with disabilities; or two (2) or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides. A person who is under a disability, as defined in Section 233 of the Social Security Act (42 U.S.C. 423), or who has a developmental disability as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001 (7)).

Section 223 of the Social Security Act defines disability as:

1. 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
2. In the case of an individual who has attained the age of 55 and is blind (within the meaning of "blindness" as defined in the Social Security Act), inability by reason of such blindness to

engage in substantial gainful activity in which he/she has previously engaged with some regularity and over a period of time.

People who have been diagnosed with alcoholism or drug abuse are not part of the definition of Adisabled.

#### Discriminatory Housing Practice

An act that is unlawful under Section 804, 805, 806, or 818 of the Fair Housing Act.

#### Displaced Person or Family

A person or family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

(See also the definition of Involuntary Displacement. See 24 CFR, Part Subpart A, Section 5.420.)

#### Domestic Violence

The term 'domestic violence' includes felony or misdemeanor crimes of violence committed by a current or former spouse, by a person with whom the victim shares a child in common, by a person who cohabitating with or has cohabitated with the victim as spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

#### Domicile

The legal residence of the household head or spouse as determined in accordance with State and local law.

#### Drug Abuse and Other Criminal Activity Definitions

1. Adult (Drug-Related and criminal Activity) - a person who is 18 years of age or older, or has been convicted of a crime as an adult under any federal, state or tribal law.
2. Covered Person - a tenant, any member of the tenant's household, a guest or another person under the tenant's control.
3. Currently Engaging in Illegal Use of a Drug - with respect to behavior such as illegal use of a drug, other drug-related criminal activity, or other criminal activity, *currently engaging in*, means that the individual has engaged in the behavior recently enough to justify a reasonable belief that the individual's behavior is current.
4. Drug - a controlled substance as defined in section 102 of the Controlled Substance Act.
5. Drug Abuse Treatment Facility - An entity: (a) that holds itself out as providing, and provides, diagnosis, treatment, or referral for treatment with respect to illegal drug use; and (b) that is either an identified unit within a general care facility, or an entity other than a general medical care facility.

#### Drug-Trafficking

The illegal manufacture, sale or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

Dwelling

Any building, structure or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one or more families, and any vacant land which is offered for sale or lease for the construction or location thereon of any such building, structure or portion thereof.

Dwelling Unit

A single unit of residence for a family of one or more persons. Examples of dwelling units include: a single family home; an apartment unit within an apartment building; and in other types of dwellings in which sleeping accommodations are provided, but toileting or cooking facilities are shared by occupants of more than one room or portion of the dwelling, rooms in which people sleep. Examples of the latter include dormitory rooms and sleeping accommodations in shelters intended for occupancy as a residence for homeless persons.

Earned Income

Earned income means income or earnings included in annual income from wages; tips, salaries, other employee compensation, and self-employment (see 24 CFR 5.609). Earned income does not include any pension or annuity, transfer payments, any cash or in-kind benefits, or funds deposited in or accrued interest on the FSS escrow account established by a PHA on behalf of a participating family.

Effective Date of Contract

Effective date of contract of participation means the first day of the month following the month in which the FSS family and the PHA entered into the contract of participation.

Elderly Person

A person who is at least 62 years of age. Allowance for medical expenses may be allowed for persons who are elderly but not disabled.

Elderly Household

A household whose head and/or spouse is considered elderly by definition. Allowance for medical expenses may be allowed for all persons who reside in the household.

Elevated Blood Lead Level

Excessive absorption of lead, that is a confirmed concentration of lead in whole blood of 25 ug/dl (micrograms of lead per deciliter of whole blood) or greater.

Employer Identification Number

The taxpayer identifying number of an individual, trust, estate, partnership, association, company, or corporation that is assigned pursuant to Section 6011(b) of the Internal Revenue Code of 1986, or corresponding provisions of prior law, or pursuant to Section 6109 of the Code. The Employer Identification Number has nine digits separated by a hyphen, as follows: 00-0000000.

Enrollment

Enrollment means the date that the FSS family entered into the contract of participation with the PHA.

Entrance

Any access point to a building, or portion of a building, used by residents for the purpose of entering the building.

Eviction

Means any action initiated by the owner/landlord to regain possession of a dwelling unit and use of the premises.

Evidence of Citizenship of Eligible Immigration Status

The documents that must be submitted to the PHA as evidence of citizenship or eligible immigration status.

Exterior

All areas of the premises and outside an individual dwelling unit.

Extremely Low-Income Families

Those families whose incomes do not exceed the greater of the federal poverty level or 30% of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families.

Facility

All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock or other real or personal property or interest in the property.

Fair Housing Act

Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3600-3620).

Fair Market Rent

The rent, including utilities (except telephone), and all maintenance, management, and other services, which would be required to be paid in order to obtain privately owned, existing, decent, safe, and affordable rental housing of modest (non luxury) nature with suitable amenities in the market area.

Fair Market Rents are used by PHAs in the Housing Choice Voucher Program to develop the payment standard used to determine the appropriate amounts of housing assistance to be paid on behalf of participating families.

The rent which would be required to be paid in order to obtain a privately owned, decent, safe and affordable Manufactured Home Space of a modest nature. This rent includes maintenance and management services described in the definition of Manufactured Home Space for singlewide and doublewide Manufactured Home Spaces. Rents for doublewide spaces will be permitted for Assisted Families of five (5) or more persons so long as the Manufactured Home meets the minimum occupancy standards for families. Fair Market Rents will be established by HUD and will be published in the Federal Register.

#### Familial Status

One or more individuals (who have not attained the age of 18 years) being domiciled with:

1. A parent or another person having legal custody of such individual or individuals; or
2. The designee of such parent or other person having such custody, with the written permission of such parent or other person.

The projections afforded against discrimination on the basis of familial status apply to any person who is pregnant, or is in the process of securing legal custody of any individual who has not attained the age of the eighteen (18) years.

#### Family

"Family" includes, but is not limited to:

1. Two (2) or more persons who intend to share a residency whose income and resources are available to meet the family's needs and who have a history as a family unit or have evidence of a stable relationship for at least one year if not legally married. Evidence of a stable relationship may include any of the following: birth certificate of the children, joint tax returns, prior lease, joint bank accounts, insurance policies, informal marriage certificates or equivalent documentation.
2. A group of persons living together, related by blood, marriage or operation of law;
3. A common-law husband or wife, as recognized under State law;
4. A child who is temporarily away from home because of placement in foster care is considered a member of the family. This provision only pertains to the foster child's temporary absence from the home, and is not intended to artificially enlarge the space available for other family members;
5. An elderly person;
6. A disabled person;
7. A displaced person;
8. The remaining member of a resident family; and
9. A single, 18 years old or older, person who is not an elderly or displaced person or a person with disabilities, or the remaining member of a resident family.

#### Family Income

Means Monthly Income as defined in HUD regulations, i.e., using Annual Income divided by 12.

### Family Self-Sufficiency

Family Self-Sufficiency program or FSS program means the program established by a PHA within its jurisdiction to promote self-sufficiency among participating families, including the provision of supportive services to these families, as authorized by Section 23 of the U.S. Housing Act of 1937.

### Family Share

In the Housing Choice Voucher Program, the portion of the rent to owner paid by the family. It is calculated by subtracting the amount of the housing assistance payment to the owner from the rent to owner same as Tenant Rent. Family share will only equal TTP when rent to owner includes all utilities and is equal to or less than the payment standard.

### Family Unit Size

The appropriate number of bedrooms for a family. Family unit size is determined by the PHA under the PHA subsidy standards.

### Former Federal Preferences (24 CFR Sec. 982.207)

The PHA may implement the following former federal preferences as Local Preferences:

1. working families (head or spouse);
2. families for person with a disability;
3. victims of domestic violence;
4. single persons who are elderly, displaced, homeless or a person with disabilities; and
5. provide the same benefit to families whose head **and** spouse, is either 62 or older or a person with disabilities (if the PHA adopts local preference for working families).

### FSS Account

FSS account means the FSS escrow account authorized by Section 23 of the U.S. Housing Act of 1937, and as provided by ' 984.305 of this part.

### FSS Credit

FSS credit means the amount credited by the PHA to the participating family's FSS account.

### FSS Family

FSS family or participating family means a family that receives assistance under the Housing Choice Voucher Program, and that elects to participate in the FSS program, and whose designated head of the family has signed the contract of participation.

### FSS Related Service Program

Means any program, publicly or privately sponsored, that offers the kinds of supportive services described in the definition of "supportive services" set forth in 24 CFR ' 984.

### FSS Slots

FSS slots refer to the total number of vouchers that comprise the minimum size of a PHA's Section 8 FSS program.

First Occupancy

A building that has never before been used for any purpose.

FMR

Fair Market Rent. Defined in 24 CFR 982.4.

Full-Time Student

A person, head of household and/or spouse, who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.

Good Faith

Means honesty in fact, in the conduct of the transaction concerned, as evidenced by all surrounding circumstances.

Gross Rent

The total monthly cost of housing an eligible family, or the sum of the Contract Rent plus Utility Allowance. In the case of rental of only a manufactured home space, Gross Rent also includes the Family's monthly payment to amortize the purchase price of the manufactured home.

Ground Floor

A floor of a building with a building entrance on an accessible route. A building may have more than one ground floor.

Guest

A person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

HA

A housing authority--both a public housing agency and an Indian housing authority.

Handicap/Disability

With respect to a person, a physical or mental impairment which substantially limits one or more of such person's major life activities; a record of having such an impairment, or being regarded as having such an impairment.

This term does not include current, illegal use of or addiction to a controlled substance (as defined in Section 102 of the Controlled Substances Act (21 U.S.C. 802)).

For the purpose of 24 CFR Part 100, Discriminatory Conduct under the Fair Housing Act, an individual shall not be considered to have a disability solely because that individual is a transvestite (a person, especially a male, who dresses in the clothing of the opposite sex for psychological reasons).

#### Handicapped/Disabled Assistance Expenses

Reasonable expenses that are anticipated, during the period for which Annual Income is computed, for attendant care and auxiliary apparatus for a Disabled Family member, and that are necessary to enable a Family member (including the Disabled member) to be employed, provided that the expenses are neither paid to a member of the Family nor reimbursed by an outside source.

#### Handicapped/Disabled Person (included under ADisabled)

A person having a physical or mental impairment that:

1. Is expected to be of long-continued and indefinite duration;
2. Substantially impedes the person's ability to live independently; and
3. Is of such a nature that such ability could be improved by more suitable housing conditions.

#### Has a Record of Such an Impairment

As used in the definition of Disability, 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.

#### Head of Household

The adult member of the family, 18 years old or older, and who is the head of the household for purposes of determining income eligibility and rent.

#### Home-visit (telephone interview)

When applicants/participants are unable to physically come into the PHA's office due age or medical condition, a home-visit (telephone interview) can be done to gather the needed to either complete an application for housing or for annual re-certification. Verifications needing signatures can be either mailed to the individual or other arrangements can be made at PHA's discretion.

#### Housing Agency (PHA)

Any state, county, municipality, other governmental entity, or public body (or agency or instrumentality thereof) that is authorized to engage in or to assist in the development or operation of low-income housing. For the purposes of 24 CFR, Part 942, Resident Participation and Management in Public Housing, the term Public Housing Agency does not include Indian Housing Authorities. As used in 24 CFR, Part 965, Subpart E, Resident's Allowance for Utilities, PHA includes an Indian Housing Authority.

#### Housing Assistance Payment

The monthly assistance payment by a PHA. The total assistance payment consists of:

1. A payment to the owner/landlord for rent to owner/landlord under the family's lease.
2. An additional payment to the family if the total assistance payment exceeds the rent to owner/landlord.

#### Housing Assistance Payments Contract



A written contract between the PHA and an owner/landlord in the form prescribed by HUD headquarters, for the purpose of providing housing assistance payments to the owner/landlord on behalf of an Eligible Family.

Housing Quality Standards

The HUD minimum quality standards for housing assisted under the resident-based programs.

Housing Choice Voucher Program

The statutory merger of the Section 8 tenant-based certificate and voucher programs into the new Housing Choice Voucher Program and makes other amendments to other provisions of the interim rule published on May 14, 1999.

Housing Voucher Contract

A written contract between a PHA and an owner/landlord, in the form prescribed by HUD for the Housing Choice Voucher Program, in which the PHA agrees to make housing assistance payments to the owner/landlord on behalf of an Eligible Family.

Housing Voucher Holder

A family that has an unexpired housing voucher.

HUD

The Department of Housing and Urban Development or its designated officer or employee.

HUD Local Office

Any HUD Office that has been delegated authority under the U.S. Housing Act of 1937 to perform functions pertaining to the area in which the PHA is located.

Income Limits

HUD establishes Very Low-Income and Low-Income limits that are used to determine if assisted housing program applicants qualify for admission to HUD-assisted programs. These income limits are based on HUD estimates for area median family income (using Metropolitan Statistical Areas or Primary Metropolitan Statistical Areas as defined by the Office of Management and Budget (OMB), and the Bureau of the Census definition of family) with specific statutorily permissible adjustments. If the income limits based on this approach would be less than if based on the relevant State non-metropolitan median family income level, income limits are based on the State non-metropolitan family income level.

Independent Group Residence

1. A dwelling unit for the exclusive residential use of two to twelve elderly or disabled individuals (excluding live-in Resident Assistant(s) if any), who are not capable of living independently, and who require a planned program of continual supportive services.
2. Individuals residing in an Independent Group Residence and receiving Section 8 assistance shall not require continual medical or nursing care, and shall be ambulatory or not require continual medical or nursing care, and shall be ambulatory or not confined to a bed

continuously, and must be capable of taking appropriate actions for their own safety under emergency conditions.

#### Individual Lease Shared Housing

The type of Shared Housing in which the PHA enters into a separate HAP Contract for each assisted Family residing in a Shared Housing unit.

#### Individual Training Services Plan

Means a written plan that is prepared for the head of the FSS family, and each adult member of the FSS family who elects to participate in the FSS program, by the PHA in consultation with the family member, and which sets forth:

1. The supportive services to be provided to the family member;
2. The activities to be completed by that family member; and
3. The agreed upon completion dates for the services and activities. Each individual training and services plan must be signed by the PHA and the participating family member, and is attached to, and incorporated as part of the contract of participation. An individual training and services plan must be prepared for the head of the FSS family.

#### Individual With Disability

A person having a physical or mental impairment that (a) is expected to be of long-continued and indefinite duration, (b) substantially impedes the person's ability to live independently, and (c) is of such a nature that such ability could be improved by more suitable housing conditions.

#### Initial Contract Rent

The contract rent at the beginning of the initial lease term.

#### Initial PHA

In portability, the term refers to both:

1. A PHA that originally selected a family that subsequently decides to move out of the jurisdiction of the selecting PHA.
2. A PHA that absorbed a family that subsequently decides to move out of the jurisdiction of the absorbing PHA.

#### Initial Lease Term

The initial term of the assisted lease. The initial lease term is at least one year. At the PHA's discretion, lease term may be shorter than 1 year.

#### Interior

The spaces, parts, components or elements of an individual dwelling unit.

#### Interim Reexaminations

Some Housing Authorities also call this, "special" reexaminations. The family must comply with regulations requiring them to report changes in income and family composition. The PHA requires the reporting of the changes within 10 days of the effective change (or other date as

established by the PHA). The Housing Authority must determine if there is to be an adjustment to the Total Tenant Payment, Tenant Rent, and/or Housing Assistance Payment.

#### Is Regarded as Having an Impairment

As used in the definition of Disability, means:

1. Has a physical or mental impairment that does not substantially limit one or more major life activities, but that is treated by another person as constituting such a limitation;
2. 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
3. Has none of the impairments defined under the definition of "physical or mental impairment," below, but is treated by another person as having such an impairment.

#### Jurisdiction

The area in which the PHA has authority, under State and local law, to administer the Section 8 program.

#### Lead-Based Paint

A paint surface, whether or not defective, identified as having a lead content greater than or equal to one microgram of lead per square centimeter (one centimeter is slightly more than three-eighths of an inch).

#### Lease

1. A written agreement between an owner/landlord and a resident for the leasing of a dwelling unit to the resident. The lease established the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP Contract between the owner/ landlord and the PHA.
2. In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement established the conditions for occupancy of the member's cooperative dwelling unit by the member's family with housing assistance payments to the cooperative under a HAP contract between the cooperative and the PHA.

#### Lease Addendum

In the lease between the resident and the owner/landlord, the lease language required by HUD.

#### Live-In Aide

A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

1. Is determined by the PHA to be essential to the care and well-being of the person or persons;
2. Is not obligated for support of the person or persons; and
3. Would not be living in the unit except to provide necessary supportive services. (See the definition of Annual Income for treatment of a Live-In Aide's income.)

#### Local Preference

1. A preference used by the PHA to select among applicant families.

2. PHA cannot deny or otherwise penalize a family solely because the family resides in public housing.

Low-Income Family

A family who's Annual Income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 80 percent of the median income for the area on the basis of its finding that such variations are necessary because of the prevailing levels of construction costs or unusually high or low-income family.

Major Life Activities

As used in the definition of Disability, means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

Manufactured Home

A structure, with or without a permanent foundation, which is built on a permanent chassis, is designed for use as a principle place of residence, and meets the HUD Housing Quality Standards set forth in 24 CFR, Part 8, Sections 882.109 and 887.473.

Manufactured Home Space

The space on which the Manufactured Home is located, leased by a owner/landlord, and occupied by the assisted family. The space shall include all maintenance and management services necessary for decent, safe and sanitary housing, such as maintenance of utility lines, garbage and trash collection, and maintenance of roads, walkways and other common areas and facilities.

Marriage

Marriage certified by a formal marriage license, or an informal marriage, as may be specified in State or local laws or regulations.

Medical Expenses

Those medical expenses, including medical insurance premiums, that are anticipated during the period for which Annual Income is computed, and that are not covered by insurance. (Medical expenses are allowable only for Elderly or Disabled Families.)

Minor

A person who is under the age of legal competence and less than 18 years of age, unless otherwise determined by State Law.

Mixed Family

A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

Monthly Adjusted Income

One-twelfth of Adjusted Income.

Monthly Income

One-twelfth of Annual Income.

National

A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession, including Puerto Rico, the U.S. Virgin Islands, Guam, Canal Zone, etc.

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 home-ownership programs.
2. The value of necessary items of personal property, such as furniture and automobiles, shall be excluded.
3. 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.
4. In determining Net Family Assets, the Authority shall include the value of any assets disposed of by an applicant or resident for less than fair market value, including a disposition in trust, but not in a foreclosure or bankruptcy sale, during the two (2) years preceding the date of application for the program, or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or resident received important consideration not measurable in dollar terms.

Non-citizen

A person who is neither a citizen nor a national of the United States.

Normal Wear and Tear

Means deterioration which occurs, based upon the use for which the rental unit is intended, without negligence, carelessness, accident, abuse or intentional damage of the premises, equipment or chattels of the owner/landlord by the resident, members of the resident's household, or by his/her invitees or guests. However, uncleanliness does not constitute normal wear and tear.

Owner/Landlord

Any person or entity, including a cooperative, having the legal right to lease or sublease a unit to a participant.

Participant

A family that has been admitted to the PHA program, and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (first day of initial lease term).

#### Payment Standard

In the Housing Choice Voucher Program, an amount used by the PHA to calculate the housing assistance payment for a family. Each payment standard amount is based on the fair market rent. The PHA adopts a payment standard for each bedroom size and for each fair market rent area in the PHA jurisdiction. The payment standard for a family is maximum monthly subsidy payment.

#### Person

Includes one or more individuals, corporations, partnerships, associations, labor organizations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees, trustees in cases under Title 11 of the United States Code, receivers, and fiduciaries.

#### PHA Jurisdiction

The area in which the PHA is not legally barred from entering into Housing Assistance Contracts.

#### Physical or Mental Impairment

As used in the definition of Disability, includes:

1. Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculo-skeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; Genitourinary; hemic and lymphatic; skin; and endocrine; or
2. 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, Human Immunodeficiency Virus infection, mental retardation, emotional illness, drug addiction (other than addiction caused by current, illegal use of a controlled substance) and alcoholism.

#### Portability

Renting a dwelling unit with Section 8 resident-based assistance outside the jurisdiction of the initial PHA.

#### Preference Over Single Persons

An applicant that is a one- or two-persons elderly, disabled or displaced family, must be given a preference over an applicant that is a single person who is not an elderly, displaced person, or a person with disabilities.

Premises

The building or complex in which the dwelling units is located, including common areas and grounds.

Public Housing Agency (PHA)

Any State, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof) that is authorized to engage in, or to assist in the development or operation of low-income housing.

Public Use Areas

Interior or exterior rooms or spaces of a building that are made available to the general public. Public use may be provided at a building that is privately or publicly owned.

Qualified Individual With Disabilities

1. With respect to employment, an individual with disabilities who, with reasonable accommodation, can perform the essential functions of the job in question; and
2. With respect to any non employment program or activity which requires a person to perform services or to achieve a level of accomplishment, an Individual With Disabilities who meets the essential eligibility requirements and who can achieve the purpose of the program or activity without modifications in the program or activity that the recipient can demonstrate would result in a fundamental alteration in its nature; or
3. With respect to any other non-employment program or activity, an Individual With Disabilities who meets the essential eligibility requirements for participation in, or receipt of benefits from, that program or activity.

Essential eligibility requirements include stated eligibility requirements, such as income, as well as other explicit or implicit requirements inherent in the nature of the program or activity, such as requirements that an occupant of multifamily housing be capable of meeting the recipient's selection criteria, and be capable of complying with all obligations of occupancy with or without supportive services provided by persons other than the recipient.

Reasonable Accommodation

Means making alterations or adaptation to provide access to otherwise qualified individuals with disabilities, in the use of the program and facilities, without causing undue hardship or substantially altering the program or activity.

Reasonable Rent

A rent to owner/landlord that is not more than either:

1. Rent charged for comparable units in the private unassisted market; or
2. Rent charged by the owner/landlord for a comparable assisted or unassisted unit in the building or premises.

Residency Preference 24 CFR Sec. 982.207

Eliminates the explicit requirement that PHA's seek HUD approval before establishing a residency preference (although the Section 8 Administrative plan is a supporting document to the annual PHA Plan). PHA's may adopt a residency preference if the preference does not delay or deny

admission to the program based on race, color ethnic origin, gender, religion, disability or age. Residency area must not be smaller than a county or municipality.

#### Receiving PHA

In portability, a PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher, and provides program assistance to the family.

#### Regular Reexaminations

The PHA must reexamine the income and composition of all families at least once every twelve (12) months. The family is required to submit any certification, release, information or documentation that the Housing Authority or HUD has determined necessary.

The PHA will adjust the Total Tenant Payment and Housing Assistance Payment to reflect the changes in income and family composition.

#### Related Lease Shared Housing

The type of Shared Housing in which the PHA enters into a single HAP Contract for two assisted Families residing in a Shared Housing unit.

#### Rent to Owner/Landlord

The monthly rent payable to the owner/landlord under the lease. Rent to owner/landlord includes payment for any services, maintenance and utilities to be provided by the owner/landlord in accordance with the lease.

#### Rental Voucher

A document issued by a PHA to a family selected for admission to the Housing Choice Voucher Program. The voucher describes the program, and the procedures for PHA approval of a unit selected by the family. The voucher also states the obligations of the family under the program.

#### Resident

Means a person entitled, under a rental agreement, to occupy a dwelling unit in peaceful possession, to the exclusion of others, and includes the owner/landlord of a mobile home renting premises, other than a lot or parcel in a mobile home park, for use as a site for the location of the mobile home.

#### Responsible Entity

The person or entity responsible for administering the restrictions on providing assistance to Non-citizens with ineligible immigration status:

1. For the Section 8 Rental Housing Voucher and the Section 8 Moderate Rehabilitation programs, the housing authority (PHA) administering the program under an ACC with HUD;
2. For all other Section 8 programs, the owner/landlord.

#### Section 214



Section 214 of the Housing and Community Development Act of 1980, as amended (42 U.S.C. 1436a). Section 214 restricts HUD from making financial assistance available for non-citizen unless they meet one of the categories of eligible immigration status specified in Section 214. See also paragraph 1-2, Authority.

#### Section 214 Covered Programs

Programs to which the restrictions imposed by Section 214 apply are programs that make available financial assistance pursuant to the United States Housing Act of 1937 (42 U.S.C. 1437-1440), Section 235 or Section 236 of the National Housing Act (12 U.S.C. 1715z-1) and Section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s).

#### Section 504

Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, as it applies to programs or activities receiving Federal financial assistance.

#### Setup Charges

Charges payable by an Assisted Family for assembling, skirting and anchoring the mobile home unit.

#### Sex-Offender

HUD determines a sex-offender to be someone who is required to be registered in a State life-time sexual offender registry.

#### Single Family Residence

Means a structure maintained and used as a single dwelling unit. Notwithstanding that a dwelling unit shares one or more walls with another dwelling unit, it is a single family residence if it has direct access to a street or thoroughfare and does not share heating facilities, hot water equipment, nor any other essential facility or service with any other dwelling unit.

#### Single Person

A person who lives alone, or intends to live alone, and who does not qualify as an Elderly Family, a Displaced Person, or the Remaining Member of a Resident Family.

#### Single Room Occupancy Housing

A unit which contains no sanitary facilities or food preparation facilities, or which contains one but not both types of facilities (as those facilities are defined in 24 CFR 882.109(a) and (b) and which is suitable for occupancy by a single eligible individual capable of independent living. The unit is located within a multifamily structure consisting of more than 12 units.

#### Social Security Number

The number that is assigned to a person by the Social Security Administration of the Department of Health and Human Services, and that identifies the record of the person's earnings that are reported to the Administration.

The Social Security Number has nine digits separated by hyphens, as follows: 000-00-0000. It does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary under the Social Security System.

Special Admission

Admission of an applicant that is not on the PHA waiting list, or without considering the applicant's waiting list position.

Special Reexaminations

See Interim Reexaminations.

Spouse

Means the husband or wife of the head of the household.

Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner in a common law marriage. It does not cover boyfriends, girlfriends, significant others, or Aco-head. ACo-head is a term recognized by some HUD programs, but not by public and Indian housing programs. This definition applies to Restrictions on Assistance to Non-citizen.

Stalking

The term 'stalking' means engaging in a course of conduct directed at a specific person that would cause a reasonable person to fear for his or her safety or the safety of others; or suffer substantial emotional distress.

Stalking may include to follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate another person; and/or to place under surveillance with the intent to kill, injure, harass, or intimidate another person; in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily harm to: (i) that person; (ii) a member of the immediate family of that person; or (iii) the spouse or intimate partner of that person. Immediate family member means, with respect to a person- - a spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in loco parentis; or any other person living in the household of that person and related to that person by blood and marriage.

State

Any of the several States of the United States of America, the District of Columbia, the Commonwealth of Puerto Rico, the territories and possessions of the United States, the Trust Territory of the Pacific Islands, and Indian tribes.

Statement of Family Responsibility

An agreement, in the form prescribed by HUD, between the PHA and a Family to be assisted under the Program, stating the obligations and responsibilities of the two parties.

Subsidy Standards

Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions (see definition of Afamily unit size).

Suspension

Stopping the clock on the term of a family's voucher for such period as determined by the PHA, from the time when the family submits a request for PHA approval to lease a unit, until the time when the PHA approves or denies the request.

Temporary Deferral

Temporary deferral of termination of assistance is granted, the deferral period shall be for an initial period not to exceed six (6) months. The initial period may be renewed for additional periods of six (6) months, but the aggregate deferral period for deferrals provided after November 29, 1996 shall not exceed a period of eighteen (18) months. The aggregate deferral period for deferrals granted prior to November 29, 1996 shall not exceed three (3) years. These time periods do not apply to a family that includes a refugee under section 207 of the Immigration and Nationality Act or an individual seeking asylum under section 208 of that Act.

Tenant

The person or persons (other than a live-in aide) who executed the lease as lessee of the dwelling unit.

Tenant-Based

Rental assistance that is not attached to the structure.

Tenant Rent

In the Housing Choice Voucher Program, the portion of the rent to the owner paid by the family. It is calculated by subtracting the amount of the housing assistance payment to the owner from the rent to owner.

Term

Means the period of occupancy specified in the rental agreement.

Total Tenant Payment

Total Tenant Payment for families whose initial lease is effective on or after August 1, 1982.

Total tenant payment is the amount calculated under section 3(a)(1) of the 1937 Act (42 U.S.C. 1437a(a)(1)). Total Tenant Payment shall be the highest of the following, rounded to the nearest dollar:

1. 30 percent of Monthly Adjusted Income;
2. 10 percent of Monthly Income; or
3. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under paragraph (C) of section 3(a)(1) of the 1937 Act (42 U.S.C. 1437a(a)(1)(C)) shall be the amount resulting from one application of the percentage.
4. A minimum amount of tenant rent as defined by the housing agency up to \$50.00.

U.S. Citizenship and Immigration Services (CIS)

Formerly the U.S. Immigration and Naturalization Service (INS).

Utility Allowance

If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the Contract Rent, but is the responsibility of the Family occupying the unit, an amount equal to the estimate made or approved by the PHA or HUD under applicable sections of HUD regulations of the monthly costs of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances, consistent with the requirements of a safe, sanitary, and healthful living environment.

Utility Allowance Reimbursement Payment

See Utility Reimbursement.

Utility Hook Up Charges

Costs payable by an Assisted Family for connecting its Manufactured Home to utilities such as water, gas, electrical and sewer lines.

Utility Reimbursement Payment

In the Housing Choice Voucher Program the portion of the housing assistance payment that exceeds the amount of rent to the owner. May also be referred to as Utility Allowance Reimbursement Payment.

Very Low-Income Family

1. A low-income family whose annual income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.
2. HUD may establish income limits higher or lower than 50 percent of the median income for the area, on the basis of its finding that such variations are necessary because of unusually high or low family incomes.

Veteran

1. Means any person honorably discharged from the Armed Forces of the United States, who served in, but not limited to, World War I, between April 6, 1917, and November 11, 1918, both dates inclusive; or in World War II, on or after December 7, 1941, until final cessation of all hostilities; or in the Korean Conflict; Lebanon Crisis; Berlin Crisis; the Congo; the Dominican Republic, and Vietnam.
2. "Veteran" does not include a person enlisted and accepted for active training only for a period of six (6) months or less.

Violent Criminal Activity

Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

Voucher (rental voucher)

A document issued by a PHA to a family selected for admission to the Housing Choice Voucher Program. The voucher describes the program, and the procedures for PHA approval of a unit selected by the family. The voucher also states the obligations of the family under the Housing Choice Voucher Program.

Waiting List Admission

An admission from the PHA waiting list.

Welfare Assistance

Welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, State or local governments.

Welfare-to-Work

Families assisted by a PHA with Voucher funding awarded to the PHA under the HUD Welfare-to-Work Voucher Program.

**KNOX COUNTY HOUSING AUTHORITY  
GALESBURG, ILLINOIS**

**SECTION 8 PROJECT-BASED VOUCHER PROGRAM POLICY**

**AND MADE PART OF THE**

**KNOX COUNTY HOUSING AUTHORITY SECTION 8 ADMINISTRATIVE PLAN**

Knox County Housing Authority  
Galesburg, Illinois

Section 8 Project-based Voucher Program Policy and made part of the Knox  
County Housing Authority Section 8 Administrative Plan  
Pursuant to 24 CFR, Part 983 published October 13, 2005

I. Statement of Section 8 Project-based Voucher Program Goal and Approach

- A. The Section 8 Project-Based Voucher Program (PBV) Goal is designed to accomplish two major objectives for the Knox County Housing Authority (KCHA):
  - 1. To maintain or increase the supply of assisted rental housing for eligible individuals or families; and
  - 2. To improve the efficiency and utilization of the Section 8 Housing Choice Voucher Program.
- B. In order to facilitate the administration of the PBV Program and to develop a system of checks and balances, the following will occur when the PBV program is implemented.
  - 1. KCHA will administer the PBV process and assure the maximum percentage limit of budget authority is twenty percent (20%) per year.
  - 2. The Waiting List Coordinator will be responsible for processing applicants as well as administering the waiting list; and
  - 3. The Section 8 Coordinator will be responsible for housing the eligible qualified tenant applicants and will continue to administer the PBV Program for the duration of the Housing Assistance Payment Contract with the Owner.
- C. HUD-Veterans Affairs Supportive Housing (VASH):
  - 1. Upon receipt of an allocation of HUD-VASH vouchers, KCHA may consider applying up to 50% of the allocation to its Project Based Voucher program.
  - 2. Instructions in Notice PIH 2009-11 (HA) and subsequent notices will be followed.

II. Public Notice, Owner Proposal Submission Requirements, and Site Selection Policy (983.51)

A. General

Both selection methods described in 24 CFR 983.51(b) will be considered to determine which method best meets the needs of the KCHA.

B. Public Notice Requirements

1. If KCHA selects the proposal method of proposals that have not been through a competition pursuant to 983.51(b), it will publish a Public Notice of Agency Request for PBV Proposals.
2. This notice will be published in the newspaper with the widest general circulation in the KCHA jurisdiction.
3. This notice may include but not necessarily be limited to the following:
  - a. A request for PBV proposal
  - b. Contact information to request a proposal submission package
  - c. The address to send the proposal
  - d. A statement that the submission package contains all required details and only proposals submitted using the submission package will be considered.
  - e. Types of properties being considered, such as existing alone, rehabilitation alone, new construction alone, or a combination of the above property types.
  - f. The time and date proposals are to be received.
4. The Public Notice will be published once each week for up to three consecutive weeks as deemed appropriate by the Executive Director.
5. The deadlines for receipt of proposals will be between fourteen (14) and thirty (30) calendar days from the publication date of the last public notice.
6. The public notice may specify the estimated amount of housing assistance payment/budget authority that may be available.
7. KCHA will maintain a log of the name and address of interested parties to whom submission packages are sent or by whom submission packages are picked up at the main office, the date of the request and the date the packages are mailed or picked up.
8. Submission packages that are not picked up shall be sent by first class mail no later than two business days after receiving the request.
9. KCHA will maintain a list of proposals received and the date they are received.
10. The outside of the envelope or package will be dated and time stamped.
11. KCHA may hold a briefing for potential applicants. The date, time, and location of the briefing are to be provided in the Public Notice.



### C. Owner Proposal Submission Requirements

1. A proposal package will be prepared and provided to interested parties upon request.
2. This package may include at least:
  - a. Detailed information required to be included in the proposal
  - b. Selection evaluation factors
  - c. Instructions to mark the outside of the proposal with the words "PBV Proposal" in the lower left hand corner of the envelope or package.
  - d. As KCHA may limit housing types among existing, new construction, or rehabilitation, include a description of the housing types that will be considered with the definition of housing types provided in the HUD PBV regulation.
3. As appropriate KCHA may select what items are to be included in a PBV proposal and list these items in the PBV Proposal Submission Package from the following items:
  - a. A description of the housing to be constructed or rehabilitated, including:
    - ◆ Property type: existing rehabilitation, new construction
    - ◆ The number of units by size (square footage)
    - ◆ Bedroom count
    - ◆ Bathroom count
    - ◆ Sketches of the proposed new construction or rehabilitation
    - ◆ Unit plans
    - ◆ Listing of amenities and services and
    - ◆ Estimated date of completion
  - b. For rehabilitation, the description must describe the property as is and must also describe the proposed rehabilitation.
  - c. Evidence of site control
  - d. For new construction, identification and description of the proposed site, site plan, and neighborhood.
  - e. Evidence the proposed new construction or rehabilitation is permitted by current zoning or regulations, or evidence to indicate the needed re-zoning is likely and will not delay the project.

f. Proposed contract rent per unit, including:

- ◆ Indication of utilities, services and equipment included in rent.
- ◆ Indication of utilities, services and equipment not included; and
- ◆ For utilities not included, estimated monthly average cost for each unit type for the first year of occupancy.

g. A statement identifying:

- ◆ The number of persons (families, individuals, businesses and non-profit organizations) occupying the property on application submission date.
- ◆ Number of persons to be displaced, temporarily relocated or moved permanently with in the building or complex.
- ◆ Estimated cost of relocation payments and services, and the sources of funding.
- ◆ The organization(s) that will carry out the relocation activities.
- ◆ Identify of the owner and other project principals and the names of officers and principal members, shareholders, investors and other parties having a substantial interest.
- ◆ Certifications showing the above-mentioned parties are not on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs.
- ◆ Disclosure of any possible conflict of interest by any of the parties that would be in violation of the Agreement to Enter into a HAP Contract or the HAP, Contract itself.
- ◆ Any information on the qualifications and experience of the principal participants.
- ◆ The owners plan for managing and maintaining the units.
- ◆ Evidence of financing or lender interest and the proposed terms of financing.
- ◆ Documentation that site is free from environmental or safety hazards.
- ◆ Documentation that site is not on a 100 year Flood Plan or does not involve a historic property, and
- ◆ Statement the rehabilitation is or is not being undertaken in areas targeted for revitalization.

#### D. Site Selection Policy

The site selection policy and procedures herein promote the PBV goals by ensuring the supply of assisted rental housing is maintained or expanded while being in compliance with the Section 8 Project-based Voucher Program Final Rule.

1. A team of KCHA staff will review, evaluate, and recommend a proposal. Proposals will not be opened until after the submission deadline.
2. KCHA is under no obligation to award a PBV to any proposal received.
3. As appropriate, the Executive Director shall recommend a proposal to the Board of Commissioners, subject to the proposed site passing Environmental Review requirements at 24CFR 983.58.
4. The agency will establish written evaluation criteria. The evaluation will be in two steps:
  - a. Proposals must first meet written qualifying factors required in the HUD current PBV regulation or current HUD PBV notice. Proposals not meeting the qualifying factors will not be evaluated/rated in the second tier. A qualifying factor form will be prepared listing each factor and the results of the qualifying factor review for each item, and the signature of the person performing the review. The Project Based Voucher Program regulation lists the following factors:
    - ◆ The proposal was received by the deadline.
    - ◆ The property is eligible housing (24CFR sections 983.53 and 983.54) and meets the property types being considered as described in the Public Notice.
    - ◆ The proposal complies with the cap on the number of PBV units per building (24CFR section 983.56)
    - ◆ The proposal meets the Site Selection standards (24CFR 983.57)
    - ◆ The proposal meets zoning requirements
    - ◆ The site is consistent with the goal of deconcentrating poverty and expanding housing opportunity pursuant to elements listed at 24CFR section 983.57(b)(1). KCHA may use a form to document that each of the seven items listed were considered.
    - ◆ The site facilitates compliance with Civil Rights Requirements listed at 24CFR section 983.57(b)(2)

- ◆ The site meets HQS site standards at 24CFR 982.401 (I)
- ◆ If needed, the proposal passes the HUD subsidy layering review pursuant to 24CFR 983.55.
- ◆ It appears the contract rent required by the property owner will pass the reasonable rent determination process pursuant to 24CFR Section 983.303 Reasonable Rent.
- ◆ The property must be located within the jurisdiction of the KCHA.

b. Proposals meeting all Qualifying Factors are then evaluated based upon KCHA's Evaluation Selection Criteria:

- ◆ The Evaluation Selection Criteria will be consistent with HUD regulations and guidelines, including 24CFR 983.57 (d) and (e).
- ◆ The criteria will be adopted by the Board of Commissioners prior to the first Public Notice.
- ◆ Each criteria will be assigned a maximum point value indicative of its relative importance.
- ◆ An evaluation Selection Criteria rating sheet will be prepared, listing each criteria, the maximum points, the points awarded for each criteria, the total point awarded, voluntary comments, the name of the reviewer and the date of the review.
- ◆ Each proposal will be independently rated by each evaluator over the same period of time.
- ◆ The evaluation team may meet to determine a recommendation.
- ◆ The agency is not obligated to select the highest rated proposal if a reasonable explanation can be provided to the BOC.
- ◆ If appropriate, KCHA quality and design requirements in addition to Housing Quality Standards pursuant to 24CFR 983.101(e) may be included as a rating factor.
- ◆ The results of pre-selection inspection of existing units pursuant to 24CFR 983.103(a) may be an evaluation/rating factor if existing units are being considered.
- ◆ Evidence of financial commitment as compared to

construction/rehabilitation cost and debt service may be a rating factor.

- ◆ An operation cash flow projection may be a rating factor.
- ◆ A written Management Plan describing how the owner will fulfill the occupancy and maintenance requirements may be a rating factor.
- ◆ Other evaluation factors may include the number of units in the building, the number of bedrooms in the units, and the level of crime in the unit's neighborhoods.
- ◆ The commitment and Capacity of the Owner to own and fulfill occupancy and maintenance requirements may be evaluation factors.

5. For proposals with omissions or discrepancies, applicants will be notified by letter and will be allowed ten (10) business days to correct or complete the proposal. If the corrections or additional requested information is not received by the deadline, the proposal will be considered incomplete and rejected.
6. Within seven calendar days of BOC approval, KCHA will provide written notification of the selected proposal(s) to all parties submitting a proposal.
7. Within fourteen calendar days of BOC approval, KCHA will publish a public notice announcing the parties selected to receive PBV in the same newspaper in which the Public Notice of Agency Request for PBV Proposals was published.
8. If KCHA has any direct or indirect interest in selected proposals, KCHA will request the selection process be reviewed by the local HUD Field Office or HUD approved independent entity, to determine the proposal was appropriately selected based on the selection procedures specified in the KCHA Section 8 Administrative Plan. The requirements at 24CFR 983.59 for independent entity to perform the inspection, reasonable rent determination and determination of initial occupant rent shall be followed.
9. Documentation regarding the basis for the proposal selection will be made available at the Executive Director's office under the control of an assistant to the Executive Director for at least three years from the date the BOC approved the proposal.

### III. Housing Type

- A. KCHA retains discretion to determine which housing type to select among the eligible housing types of existing housing, rehabilitation, or new construction. However, KCHA reserves the right not to provide PBV assistance to Excepted units pursuant to 24CFR 983.56(c) (2).

- B. KCHA may limit a PBV site selection to one or more unit types, as defined in 24 CFR 983.52, as existing housing, rehabilitated, and new construction.
  - 1. Any limitations on housing type will be announced in the Public Notice and the Submission Package.
  - 2. Depending on KCHA's needs, particular housing types may receive points in the proposal evaluation/rating process.

IV. Excepted Units for Elderly, Disabled, and Supportive Services Families

- A. Excepted units may be part of the PBV contract and are not to be counted toward the cap on the number of PBV units in a building. However, KCHA reserves the right to not provide PBV assistance to Excepted units, pursuant to 24CFR 983.56(c) (2).
- B. Excepted units must be used for a "Qualifying" family.
- C. The following families may be considered as "Qualifying" families:
  - 1. Elderly or disabled families.
  - 2. Families receiving any type of supportive services from an accredited source and receiving any level of supportive services.
  - 3. Families receiving supportive services needed to transition from homelessness to permanent housing through a social service agency qualified professional will be a qualified family. The family must receive the level of supportive services deemed necessary by the social service agency or professional assisting the family subject to availability and other appropriate limitations. Any service deemed necessary by the social service agency or professional assisting the family shall be an "approved" service to maintain eligibility as a "Qualifying" family.
  - 4. The services do not need to be provided at the project.
  - 5. If supportive services are discontinued because the family no longer needs them or because the services are no longer available the family shall continue to be a "Qualified" family as long as the family resides in the unit.
  - 6. If the family vacates the unit, the unit shall remain as "Excepted" if it is re-rented to another "Qualifying" family.
  - 7. KCHA shall monitor the family's participation in supportive services once each year as part of the annual recertification of the family. The family shall provide a third party verification to document participation in supportive services.
  - 8. If the family does not fulfill its obligations to participate in supportive services and does not demonstrate a good cause for lack of participation the family may be in violation of the Housing Choice Voucher Family Obligations and in violation of the lease. The family must vacate the unit within four months of the date of the written vacate notice. An extension

of this time period may be granted as appropriate. If the family does not vacate within the time period the unit will be removed from the PBV HAP Contract.

9. "General Cause" for not participating in supportive service includes items that are not in control of the family, including stipulations under the Violence Against Women Act.
10. KCHA reserves the right to place a cap less than 25 percent on the number of units receiving PBV or other project based assistance in a building with "Excepted" units.

D. New construction or Rehabilitation

If an owner is proposing to pledge the HAP Contract as security for financing, the owner must submit the financing document to KCHA for review. In determining approvability of the pledge arrangement, KCHA must ensure that the financing documents do not modify the contract and do not contain any requirements inconsistent with the contract. Any contract must be limited to amount payable under the contract in accordance with the terms of the contract.

V. Project-based Housing Assistance Payments Contract(HAP) Process For Rehabilitated or Newly Constructed Units

- A. The KCHA and the owner will enter into an Agreement to Enter into a HAP Contract for Project Based Voucher provided by HUD (AHAP).
- B. "Timely Completion" of the development shall be defined in the AHAP.
- C. If the development work is not completed (i.e. occupying permit being issued) within the timely completion period, KCHA reserves the right to either terminate the AHAP or provide an extension to the timely completion period.
- D. KCHA may, as needed determine the acceptability of work drawings and specifications and require additional drawings and specifications in the work description section of the AHAP.
- E. The AHAP cannot be executed until after KCHA receives approval of the subsidy layering review (if needed) and approval of the environmental review.
- F. After receiving the approval in item E (above) the AHAP shall be executed within 30 calendar days.
- G. The AHAP will clearly describe the required evidence of completion that will be provided by the owner.
- H. KCHA will review all evidence of completion and either approve or require additional evidence.
- I. KCHA will use the HUD issued Project Based Voucher Housing Assistance payments (HAP) contract.

- J. For existing housing, the HAP Contract shall be executed within fourteen (14) calendar days after the units and buildings pass HQS inspection.
- K. For newly constructed or rehabilitated housing, the HAP Contract will be executed fourteen calendar days after:
  - 1. KCHA has inspected the completed units and buildings and determined the development work was completed pursuant to the AHAP.
  - 2. The Owner has submitted all required evidence of completion; and
  - 3. KCHA has accepted the evidence of completion.

VI. PBV Housing Assistance Payments Contract

- A. The initial term of the contract shall be up to ten (10) years.
- B. One extension of the HAP Contract may be granted for a period of up to five (5) years at the discretion of the KCHA.
- C. For existing housing, the HAP Contract shall be executed within fourteen (14) calendar days after the units and building pass HQS inspection.

VII. Conduct of Development Work

- A. If needed, KCHA shall monitor Davis-Bacon wage requirements bi-weekly
- B. KCHA will maintain adequate documentation in an easily audited format for all items required to be monitored per the AHAP.
- C. KCHA will provide a Documentation of Completion Certification to the owner pursuant with 24CFR 983.155.

VIII. Extension of HAP Contract

- A. The HAP Contract may be extended for terms of up to five years if deemed appropriate by KCHA.
- B. When determining appropriateness for a HAP Contract extension, KCHA may consider:
  - 1. The Owner's history of compliance with the HAP contract;
  - 2. The Owner's history of properly screening clients and enforcing the lease;
  - 3. The PBV units can still be properly supported by the KCHA Five Year and Annual Plan or other documented community needs; and
  - 4. KCHA determines that PBV is still the best use of the Housing Choice Voucher Program Budget Authority.

IX. Substitution and Addition of Contract Units

- A. When considering the substitution of a contract unit, in addition to the substitute unit meeting HQS, KCHA may take into consideration:



1. A request for reasonable accommodation;
2. Changes in the condition or use of units in the building;
3. A resulting improvement in program or building management; and
4. Other reasonable justifications

B. When adding units to the PBV HAP Contract during the first three years of the contract, KCHA may take into consideration:

1. The regulatory limits per building and budget authority;
2. A request for reasonable accommodation;
3. Changes in the condition or use of units in the building;
4. A resulting improvement in program or building management; and
5. Other reasonable justifications.

X. Condition of Contract Unit

A. When determining the need for additional HQS requirements, the following items may be considered:

1. Assurance of continued compliance with any design, architecture or quality requirements listed in the AHAP or HAP Contract; and
2. Request for reasonable accommodation.

B. Additional HQS requirements are located in the HQS section of the Section 8 Administrative Plan.

XI. Management

A. Owner Responsibilities

1. The owner shall develop a written management plan that will be reviewed by KCHA during the proposal evaluation/rating process.
2. KCHA will review the owner's compliance performance with the HAP Contract on or about the anniversary date of the contract.
3. The owner shall appropriately screen applicants referred by KCHA.
4. Provide KCHA with a copy of any termination of tenancy notifications on the following business day.
5. Offer vacant, accessible units to a family with one or more members with a disability requiring accessibility features of the vacant unit.

B. Waiting List and Selection for Participation

1. KCHA will establish a separate waiting list for each PBV project unless increased efficiency can be achieved by having the same waiting list for two or more PBV developments.
2. All applicants of the appropriate bedroom size(s) on the Section 8 HCV Program will have the opportunity to be placed on the PBV waiting list when it is first established.
3. KCHA reserves the right to limit admission to a PBV building to individuals or families who require some type of supportive service, which may include a self-sufficiency service.
4. Applicants who pass the HUD required Section 8 Program screening would be referred to the Owner.
5. KCHA may place families referred by the owner of project-based voucher units on its PBV waiting list. Families will be referred to housing units from the waiting list.
6. Concerning Income Targeting, in any fiscal year, not less than 75% of families admitted to the combined tenant-based and project-based voucher program should be extremely low-income families.
7. PBV units will not remain vacant for an excessive period of time to meet the Income targeting percentage.

C. Filing Vacant Units

1. When the Owner notifies KCHA of vacancies in the PBV units, KCHA will refer to the owner one or more families of the appropriate size on the waiting list. A family that refuses the offer of a unit with Project-Based assistance will maintain its place on the waiting list.
2. The owner must notify KCHA within two (2) business days of learning of a vacancy.
3. The owner will confirm occupancy, usually through rent payment, once each month.
4. KCHA will refer applicants to the Owner within two (2) business days after receiving notice of vacancies. Such referral shall be in the form of providing the Owner with a copy of the Section 8 pre-application or application.
5. The Owner must rent all vacant units to eligible families referred by KCHA from its waiting list. KCHA will determine eligibility for participation in accordance with HUD requirements.
6. If the KCHA does not refer a sufficient number of interested applicants on the KCHA Waiting List to the Owner within thirty (30) calendar days of the Owner's notification to KCHA of a vacancy, the Owner may advertise for or

solicit applications from eligible very low-income families. The Owner must refer these applicants to KCHA to determine final eligibility.

7. The Owner shall notify rejected applicants within three (3) business days of the decision in writing with a copy to KCHA.

D. Briefing the Family

Within five (5) business days after accepting PBV, KCHA will provide an oral briefing and a written briefing packet pursuant to 24CFR 983.252.

E. Overcrowded and Under Occupied Units

1. If KCHA determines that a contract unit is not decent, safe and sanitary due to an increase in family size that causes the unit to be overcrowded or that a contract unit is larger than appropriate for the size of the family in occupancy under KCHA's occupancy standards, KCHA will offer the family an appropriate size unit through the following resources as applicable and in the order:
  - a. A PBV unit in the same building;
  - b. A PBV unit in another building;
  - c. A Section 8 Housing Choice Voucher;
  - d. A Public Housing unit; or
  - e. A unit in another project-based program

XII. Reduction of Number of Units Covered by HAP Contract

- A. Owners must lease all assisted units under HAP Contract to eligible families. Leasing of vacant units to ineligible tenants is a violation of the HAP Contract and grounds for all available legal remedies including suspension or debarment from HUD contracts and reducing the number of contract units.
- B. KCHA may reduce the number of units if a unit is vacant for 120 days since Notice of Vacancy from the Owner to KCHA and KCHA has made good faith efforts to refer applicant to Owner.
- C. Restoration

KCHA will agree to an amendment of the HAP contract to provide Subsequent restoration of any reduction made, if:

- a. KCHA determines that the reduction is justified by

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- b. The Owner otherwise has a record of compliance with obligations under the HAP contract and
- c. Contract authority is available.

XIII. Maintenance and Inspections

- A. The owner must provide all services, maintenance, and utilities as agreed under the HAP Contract, subject to abatement of housing assistance payments or other applicable remedies if the owner fails to meet these obligations.
- B. KCHA will inspect 100% of the PBV units under contract at least annually and at other times as may be necessary to assure the owner is meeting the obligations to maintain the units in decent, safe and sanitary condition and to provide the agreed upon utilities and services.
- C. If KCHA notifies the owner the unit(s) under contract are not in decent, safe and safe sanitary condition and the owner fails to take corrective action within the time prescribed in the notice, KCHA may exercise any or all of its rights or remedies under the HAP Contract, including abatement of the housing assistance payment or termination of the HAP Contract.

XIII. Rent and Housing Assistance Payments

- A. The Owner will not charge more than one month's rent as a security deposit and will not charge a security deposit that is higher than non-subsidized units are.
- B. KCHA will maintain documents to clearly justify the determination of rent to owner pursuant to 24CFR 983.301.
- C. Rent Adjustments
  - 1. If the Owner wishes a rent increase, the Owner must request a rent increase by written notice to KCHA at least 90 days before the HAP Contract anniversary date.
  - 2. To be eligible for an increase, the Owner must comply with all requirements of the HAP Contract, including HQS for all contract units.
  - 3. The adjusted rent will be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted local market.
- D. Special rent adjustments

1. A special rent adjustment may be approved only to reflect increases in the actual and necessary cost of owning and maintaining the contract units due to substantial and general increases in:
  - a. Real Property taxes;
  - b. Special governmental assessments;
  - c. Cost of utilities not covered by regulated rates.
2. The owner must submit financial information, as requested by KCHA that supports the request for a special adjustment.

E. Owner Certification of Rent

By accepting each monthly housing assistance payment from the KCHA, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises.

F. Reasonable Rent

1. KCHA will not enter into an agreement or HAP Contract until it is determined the initial rent to the owner is a reasonable rent in comparison to rent for other comparable unassisted units. To make this determination the KCHA will consider:
  - a. The location, quality, size, unit type, and age of the contract unit; and
  - b. Any amenities, housing services, maintenance, and utilities to be provided by the owner in accordance with the lease.
2. The initial rent to the owner for a unit may not exceed the reasonable rent as determined by the KCHA in accordance with 24 CFR 983.

G. FMR/Exception Rent Limit

The initial gross rent for the unit shall not exceed 110% of the established Fair Market Rent on the date the Agreement to enter into a HAP Contract is executed. The FMR/exception rent is determined by KCHA in accordance with 24 CFR 982.504.

