

PHA Plans

**Streamlined Annual
Version**

**U.S. Department of Housing and
Urban Development**
Office of Public and Indian
Housing

OMB No. 2577-0226
(exp. 05/31/2006)

Streamlined Annual PHA Plan for Fiscal Year: 2005-2006 Pasadena Community Development Commission (PCDC)

Streamlined Annual PHA Plan Agency Identification

PHA Name: Pasadena Community Development Commission (PCDC)

PHA Number: CA 079

PHA Fiscal Year Beginning: July, 2005

PHA Programs Administered:

Section 8 Only

Number of Section 8 units:1315

PHA Plan Contact Information:

Name: Myrtle Dunson

Phone: (626) 744-8300

TDD: 711

Email : mdunson@cityofpasadena.net

Public Access to Information

Information regarding any activities outlined in this plan can be obtained by contacting:

(select all that apply)

PHA's main administrative office PHA's development management offices

City of Pasadena
Planning & Development Department
Housing/Community Development Division
Renaissance Plaza
649 N. Fair Oaks Avenue, Suite 202
Pasadena, CA 91103

Display Locations For PHA Plans and Supporting Documents

The PHA Plan revised policies or program changes (including attachments) are available for public review and inspection. Yes No.

If yes, select all that apply:

Main administrative office of the PHA

Public library

All Branches of the Pasadena Public Library:

- Central Library - 285 East Walnut, 744-4052
- Allendale – 1130 S. Marengo, 799-2519
- Hastings – 3325 Orange Grove, 792-0945
- Hill Avenue – 55 S. Hill, 796-1276
- Lamanda Park – 140 S. Altadena Drive, 793-5672

- La Pintesca – 1355 N. Raymond, 797-1873
- Linda Vista – 1281 Bryant, 793-1808
- San Rafael – 1240 Nithsdale Road, 795-7974
- Santa Catalina – 999 E. Washington, 794-1219

Other

Pasadena City Clerk's Office
117 E. Colorado Blvd. 6th floor
Pasadena, CA 91105

Community Facilities:

- Jackie Robinson Center – 1020 North Fair Oaks, 791-7983
- Villa-Park Neighborhood Center – 363 East Villa, 744-6530
- Pasadena Senior Citizens Center – 85 East Holly, 795-4331
- Victory Park Center – 2575 Paloma, 798-0865
- El Centro de Accion Social, Inc.- 37 East Del Mar 792-3148

PHA Plan Supporting Documents are available for inspection at: (select all that apply)

- Main business office of the PHA

Streamlined Annual PHA Plan Fiscal Year 2005-2006

[24 CFR Part 903.12(c)]

Table of Contents

[24 CFR 903.7(r)]

Provide a table of contents for the Plan, including applicable additional requirements, and a list of supporting documents available for public inspection.

	Page Numbers
1. Housing Needs	5
2. Financial Resources	7
3. Policies on Eligibility, Selection and Admissions	11
4. Rent Determination Policies	14
5. Operations and Management Policies	15
6. Grievance Procedures	16
7. Homeownership	16
8. Community Service Programs	18
9. Audit	20
10. Project-Based Voucher Program	20
11. Consistency with the Consolidated Plan	21
12. Other information	22

Attachments

Optional Attachments:

- PHA Management Organizational Chart (Attachment A)
- Comments of Resident Advisory Board (Attachment D)
- Other (List below, providing each attachment name)

- City of Pasadena-Single Audit Report (Year ended June 30, 2004) (Attachment B)
- Resident Advisory Board (Attachment C)
- Public Hearing Comments (Attachment E)
- Public Notices (Attachment F)
- Rental Assistance Program Administrative Plan Amendments (Attachment G)

1. Statement of Housing Needs

[24 CFR Part 903.7 (a)]

A. Housing Needs of Families in the Jurisdiction/s Served by the PHA

Based upon the information contained in the Consolidated Plan/s applicable to the jurisdiction, and/or other data available to the PHA, provide a statement of the housing needs in the jurisdiction by completing the following table. In the "overall" Needs column, provide the estimated number of renter families that have housing needs. For the remaining characteristics, rate the impact of that factor on the housing needs for each family type, from 1 to 5, with 1 being "no impact" and 5 being "severe impact". Use N/A to indicate that no information is available upon which the PHA can make this assessment.

Housing Needs of Families in the Jurisdiction By Family Type							
Family Type	Overall	Affordability	Supply	Quality	Accessibility	Size	Location
Income < 30% of AMI (Extremely low income)	8,454	5	5	3	5	5	5
Income >30% but <50% of AMI (Very Low income)	5,649	5	5	3	5	5	5
Income >50% but <80% of AMI (Low income)	5,966	5	5	3	4	4	4
Elderly	16,433	4	5	3	4	2	5
Families with Disabilities	25,076	4	5	4	5	3	5
Race/Ethnicity (White)	*52,381	3	3	3	3	3	2
Race/Ethnicity (Black)	*19,319	4	4	4	5	4	5
Race/Ethnicity (Hispanic)	*44,734	4	4	5	5	5	5
Race/Ethnicity (Asian or Pacific Islander)	*13,399	2	2	2	2	2	2
Race/Ethnicity (Other)	*4,103	3	4	3	4	4	4

Total number of renter occupied households =28,119. Total number of owner-occupied households = 23,725. *Individuals not family Race/Ethnicity. Total population 133,936 **Source: U.S. Census Bureau 2000 data.

What sources of information did the PHA use to conduct this analysis? (Check all that apply; all materials must be made available for public inspection.)

- Consolidated Plan of the Jurisdiction/s
Indicate year: 2000-2005
- U.S. Census data: the Comprehensive Housing Affordability Strategy ("CHAS") dataset
- Other sources: (list and indicate year of information)
 - PCDC Rental Survey (2002)
 - Meyers Group Housing Analysis (1999)
 - Housing Element Needs Assessment
 - SCAG Regional Housing Needs Assessment (RHNA)

B. Housing Needs of Families on the Public Housing and Section 8 Tenant- Based Assistance Waiting Lists

State the housing needs of the families on the PHA's waiting list.

Housing Needs of Families on the Waiting List			
Waiting list type: (select one) <input checked="" type="checkbox"/> Section 8 tenant-based assistance			
	# of families	% of total families	Annual Turnover
Waiting list total	5081		
Extremely low income < 30% AMI	3404	67%	
Very low income (>30% but <50% AMI)	1169	23%	
Low income (>50% but <80% AMI)	508	10%	
Families with children	2,590		
Elderly families	2,104	41%	
Families with Disabilities	390	8%	
Race/ethnicity (White)	2,636	52%	
Race/ethnicity (Black)	2,186	43%	
Race/ethnicity (Native American)	43	1%	
Race/ethnicity (Asian)	216	4%	
Is the waiting list closed (select one)? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes			
If yes:			
How long has it been closed (# of months)? 11 months			
Does the PHA expect to reopen the list in the PHA Plan year? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			
Does the PHA permit specific categories of families onto the waiting list, even if generally closed? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes			

2. Statement of Financial Resources

[24CFR Part 903.7 (c)]

List the financial resources that are anticipated to be the PHA for the support of Federal public housing and tenant-based Section 8 assistance program administered by the PHA during the Plan year.

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
1. Federal Grants (FY 2003 grants)		
a) Public Housing Operating Fund	N/A	
b) Public Housing Capital Fund	N/A	
c) HOPE VI Revitalization	N/A	
d) HOPE VI Demolition	N/A	
e) Annual Contributions for Section 8 Tenant-Based Assistance	\$10,682,663	
f) Public Housing Drug Elimination Program (including any Technical Assistance funds)	N/A	
g) Resident Opportunity and Self-Sufficiency Grants	N/A	
h) Community Development Block Grant (CDBG)	\$2,669,000	Economic Development; Youth Diversion; Housing Rehab; Family Empowerment; and Public Services Programs.
i) HOME (Tenant-based Rental Assistance)	\$275,000	Tenant-based rental assistance for families in crisis (victims of domestic violence or hate crimes, involuntarily displaced, at-risk for homelessness)
Other Federal Grants (list below)		
Shelter Plus Care (S+C)	\$420,000	Tenant-based rental assistance and supportive services for homeless person with disabilities (serious mental illness, HIV/AIDS, and substance abuse)
Housing Opportunities for Persons with AIDS (HOPWA)	\$160,500	Tenant-based rental assistance and supportive services for individuals and families living with HIV/AIDS.

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
Supportive Housing Program (SHP) (Euclid Villa)	\$163,700	16 units of transitional housing coupled with supportive services for homeless families.
Supportive Housing Program (SHP) (Union Station Transitional Housing)	\$122,097	Transitional housing & services for 20 homeless individuals.
Supportive Housing Program (SHP) (Parke Street)	\$499,981	To develop 8 units of permanent supportive housing for recovering substance abusers.
Supportive Housing Program (SHP) (Homeless Management Information Systems – HMIS)	\$138,600	Grant awarded to develop and implement a HUD mandated HMIS service.
Supportive Housing Program (SHP) (2 grants for Serra Project)	\$222,125	Ten (10) unit of scattered site housing for homeless families & individuals with HIV/AIDS.
Supportive Housing Program (SHP) (Passageways)	\$952,700	Homeless Services Center for Pasadena Continuum of Care. Gateway into the Continuum.
Supportive Housing Program (SHP) (Navarro House)	\$206,668	6 units of permanent supportive housing for homeless individuals.
Supportive Housing Program (SHP) (Casa Maria)	\$155,417	Transitional housing for fourteen (14) homeless women in recovery from substance misuse.
Supportive Housing Program (SHP) Permanent Supportive Housing (Pacific Clinic)	\$778,473	8 scattered sites housing units for chronically homeless individuals.
Supportive Housing Program (SHP) Permanent Supportive Housing (TBA)	\$804,877	8 permanent supportive housing units for chronically homeless individuals.
Emergency Shelter Grant (ESG)	\$99,321	The provision of temporary emergency shelters, emergency hotel/motel voucher and supportive services for the homeless

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
HOME (Homeownership Opportunities Program)	\$200,000	This program offers loan assistance to low income first time home buyers, for down payment and closing cost.
HOME (Rental Rehabilitation – New Revelation Missionary Baptist Church)	\$300,000	Permanent rental housing for four (4) low income families.
4. Non-federal sources (list below)		
PCDC Housing Trust Funds – (Homeownership Opportunities Program)	\$900,000	This program provides a second trust deed loan up to \$80,000 for low-income homebuyers and up to \$60,000 for moderate in homebuyers.
Fannie Mae American Communities Funds – (ESG-Match)	\$99,321	The provision of emergency hotel/motel voucher and food services for the homeless; FMACF provides the required match to the ESG Grant (\$99,321).
HOME – (Transitional Housing)	\$100,000	This program offers rental assistance to lease for low and very low income families.
PCDC Housing Trust Funds (Rebuilding Together)	\$40,000	The provision of minor home repairs, adaptability improvements for seniors and disabled persons. 8 units.
PCDC Housing Trust Funds <ul style="list-style-type: none"> • Rental Covenant Compliance Monitoring 	\$50,000	Annual rental housing unit covenant compliance monitoring entailing both on-site visitation and tenant eligibility determination.
Washington Theatre <ul style="list-style-type: none"> • Fannie Mae American Communities Funds (\$1.2M) • PCDC Housing Trust Funds (\$0.3M) • HOME (\$0.5M) 	\$2,000,000	Thirty (30) affordable rental units.
Fannie Mae American Communities Funds (Heritage Housing Partners Acquisition/Rehab Program)	\$928,000	Acquisition/Rehab of affordable ownership housing for 13 low to moderate income families.

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
Housing Opportunities Fund <ul style="list-style-type: none"> • Inclusionary Housing Trust Fund (\$5,500,000) • CA Local Housing Trust Fund (\$1,250,000) • HELP (\$1,500,000) • HOME (\$103,963) 	\$8,353,963	Construction/Rehab of low & moderate- income units (55 units).
Heritage Square <ul style="list-style-type: none"> • HOME (\$1,500,000) • PCDC HTF (\$2,400,000) • Fannie Mac (\$1,000,000) 	\$4,900,000	Initiate review of site development options for 50 to 100 units.
Total resources	\$36,222,406	

3. PHA Policies Governing Eligibility, Selection, and Admissions

[24 CFR Part 903.7 (b)]

Section 8

(1) Eligibility

a. What is the extent of screening conducted by the PHA? (select all that apply)

- Criminal and drug-related activity, more extensively than required by law or regulation
- More general screening than criminal and drug-related activity (list factors below)
- Other
- The family must not have violated any Family Obligations during a previous participation in the Rental Assistance Program within the last five years
 - No family member may have committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program in the last five years or incarcerated in the last twelve (12) months
 - Family must not have violated the requirements under the family's FSS Contract of Participation (COP) without good cause
 - Family must have paid any outstanding debt owed the PCDC or another Public Housing Agency as a result of prior participation in any federal housing program.

b. Yes No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?

c. Yes No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?

d. Yes No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)

e. Indicate what kinds of information you share with prospective landlords? (select all that apply)

- Other (describe below)
- The PCDC will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.
 - The PCDC will inform property owners that it is the responsibility of the landlord to determine the suitability of prospective tenants. Property owners will be encouraged to screen applicants for rent payment history, eviction history, damage to units, and other factors related to the family's suitability as a tenant.
 - The PCDC will provide prospective property owners with the address of the family and the names and addresses and telephone numbers of the family's current and previous landlord, if known, provided that such request is received in writing.

(2) Waiting List Organization

a. With which of the following program waiting lists is the Section 8 tenant-based assistance waiting list merged? (select all that apply)

None

b. Where may interested persons apply for admission to Section 8 tenant-based assistance? (select all that apply)

Other (list below)

Pasadena Community Development Commission (Commission) closed their enrollment to the Section 8 tenant-based assistance waiting list, effective July 15, 2004. The Commission currently has enough applicants on its waiting list to accommodate for contract terminations and re-issuance of available vouchers over a 24 month period.

(3) Search Time

a. Yes No: Does the PHA give extensions on standard 60-day period to search for a unit?

If yes, state circumstances below:

A family may request an extension of the rental voucher time period. All requests for extensions must be received no less than fifteen (15) days prior to the expiration of the voucher.

Extensions are permissible at the discretion of the PCDC up to a maximum of one hundred and eighty (180) days, primarily for these reasons:

1. The PCDC is satisfied that the family has made a reasonable effort to locate a unit, including seeking the assistance of the PCDC, throughout the initial sixty (60) day period. A completed search record is required.
2. Extenuating circumstances such as disability, hospitalization or a family emergency for an extended period of time, which has affected the family's ability to find a unit within the initial sixty (60) day period. Verification is required.
3. The family was prevented from finding a unit due to disability, accessibility requirements or large size four (4) or more bedroom unit requirement,

(4) Admissions Preferences

a. Income targeting

Yes No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 75% of all new admissions to the Section 8 program to families at or below 30% of median area income?

b. Preferences

1. Yes No: Has the PHA established preferences for admission to Section 8 tenant-based assistance? (other than date and time of application)

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences

Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)

- Victims of domestic violence
- Substandard housing
- Homelessness

Other preferences (select all that apply)

- Veterans and veterans' families
- Residents who live and/or work in your jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s)

- Families with a disabled head of household or spouse
- Families with an elderly head of household
- Graduates of emergency/transitional housing programs for homeless
- Residency in PCDC assisted housing developments

3. If the PHA will employ admissions preferences, please prioritize by placing a "1" in the space that represents your first priority, a "2" in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use "1" more than once, "2" more than once, etc.

Former Federal preferences

- 3 Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- 3 Victims of domestic violence
- 3 Substandard housing
- 3 Homelessness

Other preferences (select all that apply)

- Veterans and veterans' families
- Residents who live and/or work in your jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

- 2 Families with a disabled head of household
- 2 Families with an elderly head of household
- 3 Graduate of emergency/transitional housing for the homeless
- 3 Educational program graduates
- 1 Residency in PCDC assisted housing developments

4. Among applicants on the waiting list with equal preference status, how are applicants selected? (select one)

- Date and time of application

5. If the PHA plans to employ preferences for "residents who live and/or work in the jurisdiction"

(select one)

This preference has previously been reviewed and approved by HUD

6. Relationship of preferences to income targeting requirements: (select one)

Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

(5) Special Purpose Section 8 Assistance Programs

a. In which documents or other reference materials are the policies governing eligibility, selection, and admissions to any special-purpose section 8 program administered by the PHA contained? (select all that apply)

- The Section 8 Administrative Plan
 Briefing sessions and written materials
 Other

- Family Self Sufficiency (FSS) Action Plan
- Shelter Plus Care Action Plan
- Housing Opportunities for Person with AIDS (HOPWA) Action Plan

b. How does the PHA announce the availability of any special-purpose Section 8 programs to the public?

Other (list below)

The PCDC solicit and retain sponsor agencies to administer special-purpose Section 8 programs. These sponsor agencies enter into sub-recipient agreements with PCDC which require these agencies to conduct outreach announcing the availability of special-purpose Section 8 programs. This outreach may include mass mailings, publishing in local news papers, posting of flyer in public and community agencies.

4. PHA Rent Determination Policies

[24 CFR Part 903.7 (d)]

Section 8 Tenant-Based Assistance

(1) Payment Standards

a. What is the PHA's payment standard?* (select the category that best describes your standard)

- 100% or below of FMR
 Above 100% but at or below 110% of FMR
 Above 110% of FMR (if HUD approved; describe circumstances below)

The actual rents for units in the City of Pasadena's census tracts are far higher than the published Fair Market Rents, making it extremely difficult for new Section 8 voucher holders to find affordable units to lease.

b. If the payment standard is lower than FMR, why has the PHA selected this standard? (select all that apply)

The PCDC has decided to use their discretion in the HUD regulations to set Section 8 voucher payment standards at a level from 90% to 100% of the Fair Market Rent. This choice was made to enable the PCDC to administer all 1315 vouchers and thereby assist more applicants on its waiting list.

c. If the payment standard is higher than FMR, why has the PHA chosen this level? (select all that apply)

- FMRs are not adequate to ensure success among assisted families in the PHA's segment of the FMR area
- Reflects market or submarket
- To increase housing options for families

d. How often are payment standards reevaluated for adequacy? (select one)

- Annually

e. What factors will the PHA consider in its assessment of the adequacy of its payment standard? (select all that apply)

- Success rates of assisted families
- Rent burdens of assisted families
- Other (list below)
 - Rental surveys conducted by the PCDC
 - PCDC's Annual Contribution Contract (HUD's budget authority)

(2) Minimum Rent

a. What amount best reflects the PHA's minimum rent? (select one)

- \$50

b. Yes No: Has the PHA adopted any discretionary minimum rent hardship exemption policies? (if yes, list below)

5. Operations and Management

[24 CFR Part 903.7 (e)]

A. PHA Management Structure

- An organization chart showing the PHA's management structure and organization is attached.

B. HUD Programs Under PHA Management

Program Name	Units or Families Served at Year Beginning	Expected Turnover
Public Housing	N/A	
Section 8 Vouchers	1,277	100
HOME (tenant-based rental assistance)	28	5
Shelter Plus Care (S+C)	29	15
Housing Opportunities for Persons with AIDS (HOPWA)	5	6

Other Federal Programs (list individually)		
Supportive Housing Program (Scattered site/transitional housing for homeless families)	71	55
Supportive Housing Program (Passageways)	1000	850

C. Management and Maintenance Policies

Section 8 Management: (list below)

- Rental Assistance Program Administrative Plan
- Shelter Plus Care (S+C) Action Plan
- Housing Opportunities for Persons with AIDS (HOPWA) Action Plan
- Family Self Sufficiency (FSS) Action Plan
- HOME Action Plan
- Consolidated Plan (2000 - 2004)

6. PHA Grievance Procedures

[24 CFR Part 903.7 (f)]

Section 8 Tenant-Based Assistance

1. Yes No: Has the PHA established informal review procedures for applicants to the Section 8 tenant-based assistance program and informal hearing procedures for families assisted by the Section 8 tenant-based assistance program in addition to federal requirements found at 24 CFR 982?

If yes, list additions to federal requirements below:

PCDC's hearing officer has a legal background, these officers are generally either a retired attorney or retired judge.

2. Which PHA office should applicants or assisted families contact to initiate the informal review and informal hearing processes? (select all that apply)

PHA main administrative office

7. Homeownership Programs Administered by the PHA

[24 CFR Part 903.7 (k)]

Section 8 Tenant Based Assistance

1. Yes No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982 ? (If "No", skip to component 12; if "yes", describe each program using the table below (copy and complete questions for each program identified),

2. Program Description:

PCDC administers seven (7) homeownership programs designed to promote homeownership among rental assistance program participants, and low, very low, and moderate income Pasadena residents. These homeownership programs are as follows:

- ***Homeownership Opportunities Program (HOP)*** – This program provides a second trust deed loan up to \$95,000 for low and moderate-income homebuyers. The HOP loan has a below market interest rate and a term of 45 years. Monthly low payments are required, but in some cases, may be deferred during the first five (5) years.
- ***Mortgage Credit Certificate (MCC) Program*** – This program provides first-time homebuyers with a federal income tax credit, which increases their ability to qualify for a mortgage. The amount of the tax credit is equal to fifteen percent (15%) of the homebuyer’s annual mortgage interest payments. This amount is applied annually as a dollar-for-dollar credit against the homeowner’s federal income tax liability.
- ***Lease-Purchase Program*** – This program is offered by the California Cities Home Ownership Authority (CCHOA) and provides thirty-eight (38) months “Option to Purchase” with gifted down payment and closing cost. The program participant picks the home of their choice and CCHOA will purchase the home on their behalf. The program participant will then enter into a “Lease with Option to Purchase” agreement, after which they may assume the loan and take title to the home at no additional transfer cost.
- ***Section 8 Homeownership Program*** – This program allows rental assistance program participant to utilize HAP payments toward the purchase of a home. The program participant will enter into a thirty-six (36) month “Option to Purchase” agreement with the owner of the property. Monies from HAP and tenant rent are set aside and these funds are utilized towards the downpayment when the program participant exercises their “option to purchase”.
- ***Mortgage Assistance Program – Pasadena Neighborhood Housing Services*** – This program is administered by Pasadena Neighborhood Housing Services, a local community –based nonprofit housing sponsor. The program offers comprehensive homebuyer education and counseling with the goals of providing education/counseling to 450 prospective homebuyers.
- ***CalHome First Time Mortgage Assistance Program*** – This \$500,000 state of California funded mortgage assistance program is administered by a local non-profit organization, Pasadena Neighborhood Housing Services. Eligible first-time homebuyers are required to complete a First-Time Homebuyers’ Training Program. The CalHome loan is secondary financing and is usually in third lien position. The 3% loans are deferred and are due upon sale or refinancing of the property. Currently, seven loans have been funded under this program.
- ***Acquisition/Rehabilitation/Homeownership Program- Heritage Housing Partners***
This program is a local non-profit housing sponsor, that will acquire properties in Northwest Pasadena and rehabilitate or develop them as for-sale ownership housing. This program will produce 15 affordable housing units. The PCDC has provided funding assistance to this program in the amount of \$1,070,000.

a. Size of Program

Yes No: Will the PHA limit the number of families participating in the Section 8 homeownership option?

b. PHA established eligibility criteria

Yes No: Will the PHA's program have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria?
If yes, list criteria below:

- A full-time work history of three (3) or more years.
- A minimum non-welfare income of forty-eight percent (48%) of the Los Angeles County Area Median Income, adjusted for family size (\$24,800 for a family of three (3) and \$27,550 for a family of four (4)).
- A one (1) year history of timely rental payments.
- A one (1) year history of maintaining a rental dwelling unit in a decent, safe, and sanitary manner.
- No tenant related evictions within the last three (3) years.
- Participant has not owned a home during the three-year period prior to application.
- Minimum FICO score of 540 and demonstrated effort to address credit issues, if any.
- Participation in the Family Self-Sufficiency Program and has generated an escrow account to assist with down payment and closing cost.

8. PHA Community Service and Self-sufficiency Programs

[24 CFR Part 903.7 (1)]

A. PHA Coordination with the Welfare (TANF) Agency

1. Cooperative agreements:

Yes No: Has the PHA entered into a cooperative agreement with the TANF Agency, to share information and/or target supportive services (as contemplated by section 12(d)(7) of the Housing Act of 1937)?

B. Services and programs offered to residents and participants

(1) General

a. Self-Sufficiency Policies

Which, if any of the following discretionary policies will the PHA employ to enhance the economic and social self-sufficiency of assisted families in the following areas? (select all that apply)

- Section 8 admissions policies
- Preferences for families working or engaging in training or education programs for non-housing programs operated or coordinated by the PHA
- Preference/eligibility for section 8 homeownership option participation

b. Economic and Social self-sufficiency programs

Yes No: Does the PHA coordinate, promote or provide any programs to enhance the economic and social self-sufficiency of residents? (If “yes”, complete the following table; if “no” skip to sub-component 2, Family Self Sufficiency Programs. The position of the table may be altered to facilitate its use.)

Services and Programs				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/random selection/specific criteria/other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing or Section 8 participants or both)
Family Self Sufficiency – A program designed for rental assistance participants to assist them in achieving self sufficiency through obtaining education and career goals.	25	Specific criteria	PHA main office	Section 8 Participants
Shelter Plus Care – Tenant-based rental assistance for homeless persons. Rental assistance is coupled with supportive services to help program participants obtain and remain in permanent housing, increase their skill level and/or income and achieve greater self determination.	60	Specific criteria	Sponsor Agencies – Passageways/Pacific Clinic, Union Station, AIDS Service Center	Section 8 Participants
Housing Opportunities for Person with AIDS – Tenant-based rental assistance for persons living with HIV/AIDS. Rental assistance is couple with supportive services to help program participant to level as independently as possible.	15	Specific criteria	Sponsor Agency – AIDS Service Center	Section 8 Participants
HOME Tenant-based Rental Assistance – Tenant based rental assistance in conjunction with supportive services for families in crisis. Program participants are linked with supportive services to address the crisis and prevent another crisis in the future.	30	Specific criteria	Sponsor Agency- Passageways	Section 8 Participants
Homeownership Programs - To promote homeownership among rental assistance program participants.	5	Specific criteria	PHA main office	Section 8 Participants

(2) Family Self Sufficiency Program/s

a. Participation Description

Family Self Sufficiency (FSS) Participation		
Program	Required Number of Participants (start of FY 2002 Estimate)	Actual Number of Participants
Section 8	25	25

- b. Yes No: If the PHA is not maintaining the minimum program size required by HUD, does the most recent FSS Action Plan address the steps the PHA plans to take to achieve at least the minimum program size?
If no, list steps the PHA will take below:

C. Welfare Benefit Reductions

1. The PHA is complying with the statutory requirements of section 12(d) of the U.S. Housing Act of 1937 (relating to the treatment of income changes resulting from welfare program requirements) by:
(select all that apply)

- Adopting appropriate changes to the PHA’s public housing rent determination policies and train staff to carry out those policies
- Informing residents of new policy on admission and reexamination
- Actively notifying residents of new policy at times in addition to admission and reexamination.

9. Fiscal Audit

[24 CFR Part 903.7 (p)]

1. Yes No: Is the PHA required to have an audit conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h))?
(If no, skip to component 17.)
2. Yes No: Was the most recent fiscal audit submitted to HUD?
3. Yes No: Were there any findings as the result of that audit?
4. Yes No: If there were any findings, do any remain unresolved?
If yes, how many unresolved findings remain?
5. Yes No: Have responses to any unresolved findings been submitted to HUD?
If not, when are they due (state below)?

10. Use of the Project-Based Voucher Program

Intent to Use Project-Based Assistance

- Yes No: Does the PHA plan to “project-base” any tenant-based Section 8 vouchers in the coming year? If the answer is “no,” go to the next component. If yes, answer the following questions.

1. Yes No: Are there circumstances indicating that the project basing of the units, rather than tenant-basing of the same amount of assistance is an appropriate option? If yes, check which circumstances apply:

- low utilization rate for vouchers due to lack of suitable rental units
- access to neighborhoods outside of high poverty areas
- other (describe below):
 - safeguard possible displacement
 - safeguard rental increases

2. Indicate the number of units and general location of units (e.g. eligible census tracts or smaller areas within eligible census tracts):

As of January 16, 2003, PCDC was approved by HUD to project –base up to 206 tenant-based Section 8 Vouchers. Current locations participating:

- Woodbury Senior Apartments - 3 units
- Villa Los Robles - 2 units
- Centennial Place Apartments - 27 units
- 270 Parke Street - 3 units
- Orange Grove Gardens Apartments - 9 units

11. PHA Statement of Consistency with the Consolidated Plan

[24 CFR Part 903.15]

For each applicable Consolidated Plan, make the following statement (copy questions as many times as necessary) only if the PHA has provided a certification listing program or policy changes from its last Annual Plan submission.

1. Consolidated Plan jurisdiction: City of Pasadena
2. The PHA has taken the following steps to ensure consistency of this PHA Plan with the Consolidated Plan for the jurisdiction: (select all that apply)

- The PHA has based its statement of needs of families on its waiting lists on the needs expressed in the Consolidated Plan/s.
- The PHA has participated in a consultation process organized and offered by the Consolidated Plan agency in the development of the Consolidated Plan.
- The PHA has consulted with the Consolidated Plan agency during the development of this PHA Plan.
- Activities to be undertaken by the PHA in the coming year are consistent with the initiatives contained in the Consolidated Plan. (list below)
- Other: (list below)

The PCDC is unique in that both the Community Development Block Grant (CDBG) and Rental Assistance Program activities are administered by the Planning and Development Department, Housing and Community Development Division. This centralized administration has fostered a relationship that involves coordination of effort and information sharing.

The PHA is consistent with the Consolidated Plan and supports the following actions and commitments:

- provision of special needs housing for low and very low income individuals/families,
- provision of affordable decent, safe and sanitary housing for low and very low income families/individuals,
- economic development and self sufficiency activities to assist low and very low income families/individuals,
- homeownership program for moderate, low and very low – income households,
- information and data on the housing, social, and economic needs of moderate, low, and very low income families/individuals,
- provision of a Continuum of Care of housing and supportive services for homeless individuals/families,
- provision of housing units for low, and very low income household in compliance with the HUD Housing Quality Standards (HQS) and City of Pasadena building and housing codes,
- access of low, and very low income households to affordable housing throughout the City of Pasadena,
- commitment to addressing impediments to Fair Housing Choice,
- utilization of the same data sources.

12.Supporting Documents Available for Review

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Applicable Plan Component
X	PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations	5 Year and Annual Plans
X	State/Local Government Certification of Consistency with the Consolidated Plan	5 Year and Annual Plans
X	Fair Housing Documentation: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdictions to implement any of the jurisdictions' initiatives to affirmatively further fair housing that require the PHA's involvement.	5 Year and Annual Plans
X	Consolidated Plan for the jurisdiction/s in which the PHA is located, which includes the Analysis of Impediments to Fair Housing Choice and any additional backup data to support statement of housing needs in the jurisdiction	Annual Plan: Housing Needs
X	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources;
X	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies (Attachment G)
X	Section 8 rent determination (payment standard)	Annual Plan: Rent

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Applicable Plan Component
	policies <input checked="" type="checkbox"/> check here if included in Section 8 Administrative Plan	Determination
X	Section 8 informal review and hearing procedures <input checked="" type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Grievance Procedures
X	Policies governing any Section 8 Homeownership program <input checked="" type="checkbox"/> check here if included in the Section 8 Administrative Plan	Annual Plan/ Administrative Plan Homeownership
X	FSS Action Plan/s for public housing and/or Section 8	Administrative Plan: Community Service & Self-Sufficiency
X	The most recent fiscal year audit of the PHA conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U. S.C. 1437c(h)), the results of that audit and the PHA's response to any findings	Annual Plan: Annual Audit (Attachment B)
X	PCDC Rental Assistance Program Statement of Policies	Administrative Plan
X	Resident Advisory Board Comments	Annual Plan (Attachment D)
X	Public Hearing Comments	Annual Plan (Attachment E)
X	Public Notices	Annual Plan (Attachment F)
X	Rental Assistance Program Administrative Plan Amendments	Annual Plan (Attachment G)

13. Other Information Required by HUD

Please refer to attachments

SEPARATE HARD COPY SUBMISSIONS TO LOCAL HUD FIELD OFFICE

Form HUD-50076, PHA Certifications of Compliance with the PHA Plans and Related Regulations: Board Resolution to Accompany the Streamlined Annual Plan identifying policies or programs the PHA has revised since submission of its last Annual Plan, and including Civil Rights certifications and assurances the changed policies were presented to the Resident Advisory Board for review and comment, approved by the PHA governing board, and made available for review and inspection at the PHA's principal office;

Form HUD-50070, Certification for a Drug-Free Workplace;

Form HUD-50071, Certification of Payments to Influence Federal Transactions; and

Form SF-LLL &SF-LLL_a, Disclosure of Lobbying Activities.

ATTACHMENTS

Attachment A – Housing and Community Development Division Organizational Chart

Attachment B – City of Pasadena, Single Audit (Year ended June 30, 2004)

Attachment C – Resident Advisory Board

Attachment D – Resident Advisory Board Comments

Attachment E – Public Hearing Comments

Attachment F – Public Notices

Attachment G - Rental Assistance Program Administrative Plan Amendments

ATTACHMENT "A"

HOUSING AND COMMUNITY DEVELOPMENT DIVISION ORGANIZATIONAL CHART

ATTACHMENT "B"

CITY OF PASADENA

SINGLE AUDIT (YEAR ENDED JUNE 30, 2004)

ATTACHMENT "C"

RESIDENT ADVISORY BOARD

ATTACHMENT "D"

RESIDENT ADVISORY BOARD COMMENTS

ATTACHMENT "E"

PUBLIC HEARING COMMENTS

ATTACHMENT "F"

PUBLIC NOTICES

ATTACHMENT "G"

RENTAL ASSISTANCE PROGRAM ADMINISTRATIVE PLAN AMENDMENTS

Chapter 1

STATEMENT OF POLICIES

AND OBJECTIVES

REASONABLE ACCOMMODATION

Persons with disabilities may request in writing for a specific change to a policy or practice as an accommodation of their disability before the Pasadena Community Development Commission (PCDC) will treat a person differently than anyone else. The PCDC policies and practices are designed to provide assurances that persons with disabilities will be given reasonable accommodations, upon request, so that they may fully access and utilize the housing program and related services. This policy is intended to afford persons with disabilities an equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as those who do not have disabilities.

In order to facilitate a request for a reasonable accommodation, the requester must first complete the Request for a Reasonable Accommodation form.

Upon receipt of the Request for a Reasonable Accommodation form, the PCDC will mail a Certification of Disability form to the professional third party that the family has identify who is competent to verify the person's status as a disabled person. The PCDC will also require that the third party provide additional information concerning any specific accommodation that the disable person may require.

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

An undue administrative burden is one that requires a fundamental alteration of the essential functions of the PCDC.

An undue financial burden is one that when considering the available resources of the agency as a whole, the requested accommodation would pose a severe financial hardship on the PCDC.

The PCDC will notify the family within a reasonable time if their request for a reasonable accommodation has been approved or denied. If a person is denied the accommodation or feels that the alternative suggestions are inadequate, they may request an informal hearing to review the PCDC decision.

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

All PCDC mailings will be made available in an accessible format upon written request, as a reasonable accommodation.

Chapter 2

ELIGIBILITY FOR ADMISSION

Live-In Attendants

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

1. Is determined by the PCDC to be essential to the care and well being of an elderly person, a near-elderly person, or a person with disabilities,
 - (a) A participant may provide at least twelve (12) working hours of care.
 - (b) Doctor's Certification or Social Service Practitioner.
2. Is not obligated for the support of the person(s), and
3. Would not be living in the unit except to provide care for the person(s).

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

1. Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits. Information will be gathered.
2. Live-in aides are not subject to Non-Citizen Rule requirements.
3. Live-in aides may not be considered as a remaining member of the tenant family.
4. Participant

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

Family members of a live-in attendant may also reside in the unit providing doing so does not increase the subsidy by the cost of an additional bedroom and that the presence of the live-in's family members does not overcrowd the unit.

A live-in aide may only reside in the unit with the approval of the PCDC. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or caseworker. The verification provider must certify that a live-in aide is needed for the care of the family member who is elderly, near elderly (50-61) or disabled. Verification must include the hours the care will be provided.

The PCDC has the right to disapprove a request for a live-in aide based on the "Other Criteria for Eligibility" described in this Chapter.

Families will be required to complete a "Request for Live-in Aide" form.

Chapter 4

Establishing Preferences and Maintaining The Waiting List

CHAPTER 4

ESTABLISHING PREFERENCES AND MAINTAINING THE WAITING LIST [24CFR Part 5, Subpart D; 982.54(d)(1); 982.204, 982.205]

C. LOCAL PREFERENCES

A notice adapting new local preferences will be publicized and distributed using the same guidelines as those for opening and closing the waiting list.

The PCDC uses the following Local Preferences:

1. Residency preference for applicants in which the head of household or spouse lives, works full-time, or attends school full-time (as defined by the school or institution) within the PCDC's jurisdiction.
2. PCDC assisted housing preference for applicants in which the head of household lives in a PCDC assisted housing development.
3. Disabled preference for applicants in which the head of household or spouse is disabled.
4. Veteran preference in which the head of household who is a current member of the military, a veteran, or the surviving spouse of a veteran.
5. Applicants who have been involuntarily displaced (as described below).
6. Applicants who are currently residing in substandard housing (as described below).

G. ORDER OF SELECTION [24 CFR 5.415, 982.207 (e)]

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

Local Preferences

Local preferences will be used to select families from the waiting list. The PCDC has selected the following system to apply ranking preferences. All local preferences will be weighted as follows:

- | | |
|--|---------|
| a. Residency preference: | 20 pts. |
| b. Residency in PCDC assisted housing development | 15 pts |
| c. Families with a disabled head of household or spouse: | 5 pts. |
| d. Substandard Housing: | 3 pts. |
| e. Involuntary Displacement: | 3pts. |
| f. Veteran's preference: | 2 pts. |
| g. Families with an elderly head of household or spouse: | 2 pts. |

Chapter 5

Subsidy Standards

CHAPTER 5

SUBSIDY STANDARDS [24 CFR 982.54(d)(9)]

GUIDELINES FOR DETERMINING BEDROOM SIZE

<u>Number of Bedrooms</u>	<u>Persons in Household</u>
0 Bedroom	1
1 Bedroom	4
2 Bedrooms	6
3 Bedrooms	8
4 Bedrooms	10
5 Bedrooms	12

Chapter 6

FACTORS RELATED TO TOTAL

TENANT PAYMENT

DETERMINATION

Chapter 7

VERIFICATION PROCEDURES

Chapter 12

RE-EXAMINATIONS AND VERIFICATIONS

CHAPTER 13

MOVES WITH CONTINUED ASSISTANCE/PORTABILITY

In a move, assistance stops at the old unit at the end of the month in which the tenant ceased to occupy, unless proper notice was given to end a lease mid-month. Assistance will start on the new unit on the effective date of the lease and contract. Assistance payments may overlap for the month in which the family moves.

D. PORTABILITY [24 CFR 982.353]

Portability applies to families moving out of or into the PCDC's jurisdiction within the United States and its territories. Under portability, families are eligible to receive assistance to lease a unit outside of the PCDC's jurisdiction. The unit may be located, in the same state as the PCDC or In the jurisdiction of a Public Housing Agency (PHA) anywhere within the United States that administers a tenant based program. However, the PCDC may opt to deny portability moves, and moves within the PCDC jurisdiction, if the PCDC does not have sufficient funds under its calendar year budget to subsidize families that move to a higher cost area or unit. Higher cost area, is defined as an area where a higher subsidy amount will be paid for a family because of higher payment standard amounts or more generous subsidy standards. (Example: The receiving PHA issues a 3-bedroom voucher to a family that received a 2-bedroom voucher from the PCDC). This would be a denial to move for insufficient funding under 982.314(e)(1) The PCDC will contact the receiving PHA and confirm that the receiving PHA will absorb or has a similar subsidy and payment standard before denial of portability.

E. OUTGOING PORTABILITY [24 CFR 982.353, 982.355]

When a family requests to move to outside of the PCDC's jurisdiction, the request must specify the area to which the family wants to move.

If the family is moving to a unit located in the same state as the PCDC, in the same Metropolitan Service Area (MSA), but in a different state, or in an adjacent MSA in a different state, and there is not a housing agency in the area where the unit is located, the PCDC will be responsible for the administration of the family's assistance.

The PCDC will choose a management company, another PHA or a private contractor to administer the assistance.

If there is more than one PHA in the area in which the family has selected a unit, the PCDC will choose the receiving PHA.

Restrictions on Portability

Families will not be permitted to exercise portability for any of the following reasons:

Applicants who are issued a HCV will not be permitted to exercise portability, if neither the head nor spouse had a domicile (legal residence) in the PCDC's

CHAPTER 14

CONTRACT TERMINATIONS

The PCDC may terminate the contract if:

1. The PCDC terminates assistance to the family.
2. The family is required to move from a unit, which is under-occupied or overcrowded.
3. Funding is no longer available under the ACC.
 - a. The PCDC will terminate HAP contracts, in accordance with HUD requirements, if the PCDC determines that funding under the Consolidated ACC is insufficient to support continued assistance for families in the program. PCDC HAP contracts may be terminated in, but not limited to, the following manner upon PCDC's review and finding that any member of a program participant household:
 - Failed to reimburse any PHA for amounts paid to an owner under a HAP Contract for rent, damages to the unit, or other amounts owned by the family under the lease;
 - Breached an agreement with a PHA to pay amounts owned to a PHA, or amounts paid to an owner by a PHA;
 - Owes rent or other amounts to the PCDC or to another PHA in connection with Section 8 HCVP or public housing assistance under the 1937 Act; and
 - Violated any family obligation under the program as listed in 24 CFR 982.551.

The existence of the above-referenced actions by any household member, regardless of the head of household's lack of knowledge of the behavior, shall be grounds for termination of assistance.

The HAP contract terminates automatically one hundred and eighty (180) days after the last housing assistance payment to the owner.

Notice of Termination

The PCDC will provide the owner and family with at least thirty days (30) written notice of termination of the contract. Except in the following circumstances:

1. Death of only family member.
2. Family vacates without notice.

Chapter 20

SUPPORTIVE HOUSING PROGRAMS

D. Section 8 Homeownership Program

Summary of Guidelines

- I. **Eligibility Requirements** [24 CFR 982.625 and 24 CFR 982.627]. Applicant and participant families must meet all of the following requirements prior to commencement of homeownership assistance:
 - a. Household contains at least one adult family member who has been fully employed for at least one (1) year.
 - b. A graduate of, or currently enrolled in the Family Self-Sufficiency (“FSS”) Program for a minimum of 12 months, and in compliance with the provisions of the FSS Program Contract Of Participation (form HUD 52650) entered into between PCDC and the FSS family.
 - c. Successfully completion of the required Homeownership course work (this requirement may be waived at discretion of PCDC Housing and Community Development Division Administrator).
 - d. Eligible for the Section 8 Housing Choice Voucher Program.
 - e. First-time homebuyer status (a family that has not owned or had ownership interest in the past three years).
 - f. Federal minimum income requirement: The family must have a gross annual income not less than the Federal minimum wage multiplied by 2,000 hours (currently \$10,300), based on the income of adult family members who will own the home. Unless the family is elderly or disabled, income from welfare assistance and SSI will not be counted towards this requirement.
 - g. Federal minimum employment requirement: At least one adult family member who will own the home must be currently employed full-time (defined as not less than an average of 30 hours per week) and must have been continuously employed for one year prior to homeownership assistance. A family member will be considered to have been continuously employed even if that family member has experienced a break in employment, provided that the break in employment: 1) did not exceed 30 calendar days; 2) did not occur within the six-month period immediately prior to the family’s application to utilize the homeownership option; and 3) has been the only break in employment within the past 12 calendar months. This employment requirement does not apply to elderly or disabled families.
 - h. The family has had no family-caused violations of HUD’s Housing Quality standards within the last one (1) year.

- i. The family is not within the initial 1-year period of a Housing Assistance Payments (“HAP”) Contract.
- j. The family does not owe money to PCDC.
- k. The family has not committed any serious or repeated violations of a PCDC-assisted lease within the past three (3) years.
- l. PCDC must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by elderly persons and persons with disabilities.
- m. PCDC may make homeownership available to all who qualify, or restrict homeownership to families or purposed defined by PCDC. PCDC may also limit the number of families assisted with homeownership.

II. **Homeownership Counseling Requirements** [24 CFR 982.630]

- a. Under the FSS program, Women At Work shall refer eligible families to PCDC or its designee for homeownership counseling in group orientations and individual counseling sessions on the following topics:
 1. Home maintenance.
 2. Budgeting and money management.
 3. Credit counseling.
 4. Negotiating the purchase of a home.
 5. Obtaining homebuyer financing and loan preapprovals, and different types of financing.
 6. How to find a home, including information about homeownership opportunities, schools and transportation within the Program 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 homes in such areas.
 8. Information of fair housing, including fair housing lending and local fair housing enforcement agencies.
 9. Information about RESPA, state and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions.
- b. The family will be required to attend post-purchase homeownership counseling when the family refinances the mortgage loan or when PCDC determines that the family is at risk of default. Examples of default risk indications include: 1) Wage decrease or unemployment; 2) Increase in debt obligations; and 3) Failure to pay property taxes, insurance premiums, homeowners association fees, and mortgage payments.

III. Eligible Units [24 CFR 982.628]

- a. The unit must meet HUD's "Eligible Housing" requirements. The unit may not be any of the following: 1) A public housing or Indian housing unit; 2) A unit receiving Section 8 project-based assistance; 3) A nursing home, board and care home, or facility providing continual psychiatric, medical or nursing services; 4) A college or other school dormitory; 5) On the grounds of penal, reformatory, medical, mental, or similar public or private institutions.
- b. The unit was already existing or under construction at the time the family was determined eligible for homeownership assistance.
- c. The unit is a one-unit property or a single dwelling unit in a cooperative or a condominium complex.
- d. The unit has been inspected by PCDC and by an independent professional inspector selected and paid for by the family.
- e. The unit meets HUD Housing Quality Standards.
- f. PCDC must not approve the seller of the unit if PCDC has been informed that the seller is debarred, suspended, or subject to a limited denial of participation.

IV. Search and Purchase Requirements [24 CFR 982.629]

- a. PCDC or its designee will provide families with assistance in locating a home.
- b. The family will be required to locate a home to purchase within nine (9) months from the date of determination of family's eligibility for the homeownership option. A home shall be considered located if the family submits to PCDC a binding purchase agreement. For good cause, PCDC may extend the family's search for a home and their Section 8 rental assistance shall continue pursuant to the Administrative Plan.
- c. The family must obtain mortgage financing within 60 days of the date of the binding purchase agreement.
- d. The family must purchase the home within 90 days of the date of the binding purchase agreement.
- e. PCDC will require monthly reports from the family on its progress in finding and purchasing a home.
- f. If the family is unable to purchase a home within the maximum time limit, PCDC will continue the family's participation in the Section 8 Housing Choice Voucher

program. However, the family must complete an additional year in the rental voucher program before it can re-apply for homeownership assistance.

V. Inspection and Contract [24 CFR 982.631]

- a. The unit must meet the Housing Quality Standards, and must be inspected by an independent professional inspector licensed to operate in the State of California, selected and paid for by the family.
- b. The independent inspection must cover major building systems and components. The inspector must be qualified to identify physical defects and report on property conditions, including major building systems and components. These systems and components include, but are not limited to: 1) Foundation and structures; 2) Housing interior and exterior; 3) Roofing; and 4) Plumbing, electrical and heating systems.
- c. The family must enter into a contract of sale with the seller of the unit. A copy of the contract must be given to PCDC. The contract of sale must specify the price and terms of sale, and provide the following:
 1. Purchaser will arrange for a pre-purchase independent inspection of the home;
 2. The purchaser is not obligated to buy the unit unless the inspection is satisfactory;
 3. The purchaser is not obligated to pay for necessary repairs; and
 4. Contain the seller's certification that he/she has not been debarred, suspended or subject to a limited denial of participation.

VI. Financing [24 CFR 982.632]

- a. The family is responsible for qualifying for and securing mortgage financing from a conventional lender and meeting the lender's requirements.
- b. PCDC will require that mortgage financing comply with the secondary market's community or affordable lending guidelines. PCDC has established financing requirements (**see Exhibit "A"**), and may disapprove proposed financing if PCDC determines that the proposed mortgage financing does not meet these requirements and/or if the debt is unaffordable.
- c. Balloon payment, negative amortization, and interest-payment only mortgages are prohibited by PCDC. Seller financing shall be evaluated by PCDC on a case-by case basis.
- d. PCDC requires the family to contribute a minimum cash down payment of 3% of the purchase price, with at least 1% from the family's own resources. FSS escrow funds, and IDEA and IDA account funds are considered to be family's own

resources. Disabled persons participating in Fannie Mae's HomeChoice mortgage program may receive the entirety of the required 3% minimum down payment requirement from other sources.

VII. Continued Assistance [24 CFR 982.633]

- a. Homeownership assistance may only be paid while the family is residing in the home. The family or lender is not required to refund homeownership assistance for the month when the family moves out.
- b. The family must comply with the following obligations:
 1. The family must comply with the terms of the mortgage securing debt incurred to purchase the home, or any refinancing of such debt.
 2. The family may not convey or transfer ownership of the home, except for purposes of financing, refinancing, or pending settlement of the estate of a deceased family member. Use and occupancy of the home are subject to CFR 982.551(h) and (i).
 3. The family must supply information to PCDC or HUD as specified in CFR 982.551(b). The family must further supply any information required by PCDC or HUD concerning mortgage financing or refinancing, sale or transfer of any interest in the home, or homeownership expenses.
 4. The family must notify PCDC before moving out of the home.
 5. The family must notify PCDC if the family defaults on the mortgage used to purchase the home.
 6. No family member may have any ownership interest in any other residential property.
 7. The family must attend and complete ongoing homeownership counseling, including post-purchase counseling.
 8. The home must pass an annual HUD Housing Quality Standards inspection.
 9. Prior to commencement of homeownership assistance, the family must execute a statement agreeing to comply with all family obligations under the homeownership option.

VIII. Maximum Term of Homeownership Assistance [24 CFR 982.634]

- a. Except in the case of elderly or disabled families, the maximum term of homeownership assistance is 15 years if the initial mortgage term is 20 years or longer, and 10 years in all other cases.
- b. There is no maximum term for an elderly household or family with a disabled person(s). This elderly exception applies if the family qualified as elderly at the start of homeownership assistance. The disabled exception applies if, at any time during homeownership assistance, the family qualifies as disabled. If the family ceases to qualify as elderly or disabled during the course of homeownership

assistance, the maximum term (refer to “a” above) becomes applicable from the date assistance commenced. However, such a family must be afforded at least six (6) months of homeownership assistance after the maximum term becomes applicable.

IX. Homeownership Assistance Payments and Homeownership Expenses [24 CFR 982.635]

- a. The monthly homeownership assistance payment is the lower of the voucher payment standard minus the total tenant payment, or the monthly homeownership expenses minus the total tenant payment.
- b. In determining the amount of the homeownership assistance payment, PCDC will use the same payment standard schedule, payment standard amounts, and subsidy standards as those described in the Administrative Plan for the Housing Choice Voucher Program.
- c. PCDC will pay the homeownership assistance payment directly to a dedicated, limited access account established on behalf of the family by the lender and/or mortgage servicer.
- d. Some homeownership expenses are allowances or standards determined by PCDC in accordance with HUD regulations. These allowances are used in determining expenses for all homeownership families and are not based on the condition of the home. Homeownership expenses include: 1) Principal and interest on mortgage debt; 2) Mortgage insurance premium; 3) Taxes and homeowner insurance; 4) PCDC utility allowance used for the voucher program; 5) PCDC allowance for routine maintenance costs; 6) PCDC allowance for major repairs and replacements; 7) Principal and interest on debt to finance major repairs and replacements; and 8) Principal and interest on debt to finance costs to make the home accessible for a family member with disabilities if PCDC determines it is needed as a reasonable accommodation.

X. Portability [24 CFR 982.636, 982.353(b), 982.552, and 982.553]

- a. Subject to the restrictions on portability included in HUD regulations and in Chapter 13 of the Administrative Plan, the family may exercise portability if the receiving public housing authority (“PHA”) is administering a voucher homeownership program and accepting new homeownership families.
- b. The receiving PHA may absorb the family into its voucher program, or bill PCDC. The receiving PHA arranges for housing counseling and PCDC’s homeownership policies apply.

XI. Moving With Continued Assistance [24 CFR 982.637]

- a. A family receiving homeownership assistance may move with continued tenant-

based assistance. The family may move with the voucher rental assistance; however, PCDC will not permit a family to move with voucher homeownership assistance. Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home.

- b. PCDC prohibits more than one move by the family during any one-year period.
- c. PCDC will deny permission to move with continued rental or homeownership assistance if PCDC determines that it does not have sufficient funding to provide continued assistance.
- d. PCDC will require the family to complete additional homeownership counseling prior to moving to a new unit with continued assistance under the homeownership option.

XII. Denial or Termination of Assistance [24 CFR 982.638]

- a. Termination of homeownership assistance is governed by the policies for the Housing Choice Voucher Program contained in Chapter 15 of the Administrative Plan.
- b. PCDC may deny or terminate homeownership assistance in accordance with CFR 982.552 (*Grounds for denial or determination of assistance*) or CFR 982.553 (*Crime by family members*).
- c. PCDC may deny or terminate assistance for violation of participant obligations described in CFR 982.551 (with the exception of provisions “c” through “j”) or CFR 982.633.
- d. PCDC will terminate homeownership assistance if the family is dispossessed from the home due to a judgment or order of foreclosure. PCDC will not permit such a family to move with voucher rental assistance.
- e. PCDC will 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 securing debt incurred to purchase the home, or any refinancing of such debt. PCDC, in its discretion, may permit the family to move to a new unit with continued voucher rental assistance. However, PCDC shall deny such permission if:
 - 1. The family defaulted on an FHA-insured mortgage; and
 - 2. The family fails to demonstrate that:
 - i) The family has conveyed, or will convey, title to the home, as required by HUD, to HUD or HUD’s designee; and
 - ii) The family has moved, or will move, from the home within the period established or approved by HUD.

XIII. Recapture of Homeownership Assistance [24 CFR 982.625(h)]

PCDC shall not impose or enforce any requirement for the recapture of voucher homeownership assistance on the sale or refinancing of a home purchased with assistance under the Program.

Exhibit "A"

FIRST MORTGAGE FINANCING REQUIREMENTS

1. Loan Type. The First Mortgages shall have a 30-year loan term and bear interest at a fixed rate for at least the first five (5) years of the term; exceptions may be authorized at the discretion of the Housing and Community Development Administrator of the Pasadena Community Development Commission ("Commission"). Negative amortization loans are not permitted.
2. Interest Rate, Points. Each First Mortgage funded by the Lender shall carry an interest rate/points (APR) no greater than then current rates the Lender would charge for a loan intended for delivery outside the Section 8 Homeownership Program (the "Program")
3. No Prepayment Penalty. The First Mortgage shall be due in full on transfer of the home purchased with the First Mortgage (the "Home"). There shall be no penalty for prepayment or refinancing of the First Mortgage.
4. Loan Security. Each First Mortgage shall be secured by a first lien trust deed on the Home purchased with the First Mortgage loan. The home buyer shall purchase an ALTA lender's title insurance policy insuring the First Mortgage as a first lien deed of trust on the Home.
5. Lender Fees. The Lender (and mortgage broker, if applicable) may charge the home buyer the following fees in connection with the making of the First Mortgage.
 - a) Loan origination fee and discount points (the sum of which shall not exceed 1 loan point);
 - b) Appraisal and credit report fees;
 - c) Underwriting fee (not to exceed \$475 and copy of third-party billing required);
 - d) Processing fee (not to exceed \$525);
 - e) Document prep fee (not to exceed \$250 and copy of third-party billing required);
 - f) Lender's inspection fee;
 - g) Tax service fees;
 - h) Mortgage insurance fees and premiums as required by mortgage insurers;
 - i) Flood certification fee;
 - j) Wire fee
6. Residential Loan Application, Loan Transmittal Summary, Good Faith Estimate. The Lender shall submit to the Commission copies of the home buyer's Uniform Residential Loan Application and Loan Transmittal Summary and, within five (5) business days of loan application a Good Faith Estimate.

7. Appraisal. Lender shall provide to Commission upon request, at no cost to Commission, a copy of the appraisal used by Lender to underwrite the First Mortgage for the home buyer.
8. Down Payment. 3% from home buyer (see Program Summary of Guidelines).
9. Loan Amounts. The Lender agrees to provide First Mortgages in the maximum amount that each home buyer is qualified to receive, utilizing prudent underwriting standards and debt guidelines.
10. Underwriting Criteria. The Lender shall use prudent underwriting standards to determine if a prospective home buyer is eligible for a First Mortgage and to determine the maximum loan amount of the First Mortgage.
11. Mortgage Insurance. The Lender may require the home buyer to purchase private mortgage insurance for the benefit of the Lender at the prevailing premium charged by mortgage insurers at the time.
12. Sale of First Mortgages. The Lender may sell the First Mortgages on the secondary mortgage market at the Lender's discretion.
13. Second Mortgage Financing. The Lender shall permit encumbrance of each Home by a Commission second mortgage, if such financing is available.
14. Notification of Delinquent Payments. During the period which Lender owns and services the First Mortgage, Lender shall provide immediate written notice to the Commission of any home buyer who has been delinquent three (3) months or longer on First Mortgage payments.
16. Lender Training. The Commission may require the Lender to attend at least one training seminar prior to within three (3) months after execution of this document, if such training has been scheduled by the Commission.