

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)

This form allows eligible PHAs to make a streamlined annual Plan submission to HUD consistent with HUD's efforts to provide regulatory relief for certain types of PHAs. Public reporting burden for this information collection is estimated to average 11.7 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated there under at Title 12, Code of Federal Regulations. Information in PHA plans is publicly available.

Streamlined Annual PHA Plan
for Fiscal Year: 2006-2007
PHA Name: 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 2006

PHA Programs Administered:

Public Housing and Section 8

Number of public housing units:
Number of S8 units:

Section 8 Only

Number of S8 units: 1315

Public Housing Only

Number of public housing units:

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
Housing/Community Development
Renaissance Plaza
649 N. Fair Oaks Avenue, Suite 202
Pasadena, California 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 9 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 2006-2007

[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.

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Attachments

Optional Attachments:

- PHA Management Organizational Chart (Attachment A)
- City of Pasadena-Single Audit Report (Year ended June 30, 2005) (Attachment B)
- Resident Advisory Board (Attachment C)
- Comments of Resident Advisory Board (Attachment D)
- Public Hearing Comments (Attachment E)
- Public Notices (Attachment F)
- Rental Assistance Program Administrative Plan Amendments (Attachment G)

B. 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;

For PHAs Applying for Formula Capital Fund Program (CFP) Grants:

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.

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: 2005-2006
- U.S. Census data: the Comprehensive Housing Affordability Strategy ("CHAS") dataset
- Other sources: (list and indicate year of information)
 - PCDC Rental Survey (2002)
 - Institute for Urban Research and Development
 - 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 | 4222 | | |
| Extremely low income < 30% AMI | 3238 | 77% | |
| Very low income (>30% but <50% AMI) | 895 | 21% | |
| Low income (>50% but <80% AMI) | 89 | 2% | |
| Families with children | 1703 | 40% | |
| Elderly families | 1519 | 36% | |
| Families with Disabilities | 361 | 9% | |
| Race/ethnicity (White) | 2,237 | 53% | |
| Race/ethnicity (Black) | 1,740 | 41% | |
| Race/ethnicity (Native American) | 39 | 1% | |
| Race/ethnicity (Asian) | 206 | 5% | |
| 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)? 23 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 tenantbased 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 | \$10,150,933 | |
| 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) | \$2,553,569 | 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 2 units of permanent supportive housing for 8 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) | \$43,725 | 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) | \$465,726 | 8 permanent supportive housing units for chronically homeless individuals. |

| Financial Resources: Planned Sources and Uses | | |
|---|-------------------|---|
| Sources | Planned \$ | Planned Uses |
| Supportive Housing Program (SHP) Permanent Supportive Housing (TBA) | \$804,877 | 8 permanent supportive housing units for chronically homeless individuals. |
| Emergency Shelter Grant (ESG) | \$97,442 | The provision of temporary emergency shelters, emergency hotel/motel voucher and supportive services for the homeless |
| 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) | \$430,000 | Financial assistance for rehabilitation of 6 deteriorated and blighted rental housing units. |
| HOME (Rental Rehabilitation – New Revelation Missionary Baptist Church) | \$300,000 | Permanent rental housing for four (4) low income families. |
| HOME – (Emergency Rental Assistance Deposits) | \$100,000 | This program offers security deposit loans to low and very low income families. |
| 4. Non-federal sources (list below) | | |
| Homeownership Opportunities Program <ul style="list-style-type: none"> • Inclusionary Housing Funds (\$1,370,000) • Loan Repayment Proceeds (\$1,400,000) | \$2,770,000 | This program provides a second trust deed loan up to \$95,000 for low-income and moderate income homebuyers. |
| Emergency Shelter Fannie Mae American Communities Funds – (ESG-Match) | \$97,442 | The provision of emergency hotel/motel voucher and food services for the homeless; FMACF provides the required match to the ESG Grant (\$97,442). |
| PCDC Housing Trust Funds (HTF) (Rebuilding Together) | \$60,000 | The provision of minor home repairs, adaptability improvements for seniors and disabled persons. 8 units. |

| Financial Resources: Planned Sources and Uses | | |
|---|---------------------|---|
| Sources | Planned \$ | Planned Uses |
| Bad Weather Shelter PCDC Housing Trust Funds | \$60,000 | Over night emergency shelter. |
| PCDC Housing Trust Funds <ul style="list-style-type: none"> Rental Covenant Compliance Monitoring | \$60,000 | 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 (\$1,200,000) PCDC Housing Trust Funds (\$305,000) HOME (\$530,000) | \$2,035,000 | Thirty (30) affordable rental units. |
| Fair Oaks Court <ul style="list-style-type: none"> PCDC HTF (\$4,316,000) State Begin Fund (\$930,000) | \$5,246,000 | Acquisition/Rehab of affordable ownership housing for 39 low to moderate income families. |
| StateE AGR Program Funds | \$150,000 | Provision of grants to fund handicapped accessibility exterior improvements in rental housing. |
| Housing Opportunities Fund <ul style="list-style-type: none"> Inclusionary Housing Trust Fund (\$7,800,000) CA Local Housing Trust Fund (\$1,250,000) HELP (\$1,250,000) PCDC HTF (\$1,000,000) State Workforce Grant (\$200,000) | \$11,500,000 | Construction/Rehab of low & moderate- income units (80 units). |
| Heritage Square <ul style="list-style-type: none"> HOME (\$1,500,000) PCDC HTF (\$2,400,000) Fannie Mae (\$1,000,000) | \$4,900,000 | Identify developer and enter into negotiations for devilmnt of 120 units, mixed use Senior housing project. |
| 1150 N. Allen StateHELP Funds | \$1,267,620 | Acquisition of real property for development of 8 units affordable ownership housing project. |
| Total resources | \$46,402,454 | |

3. Section 8 Tenant Based Assistance--Section 8(y) Homeownership Program
(if applicable) [24 CFR Part 903.12(c), 903.7(k)(1)(i)]

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 the next component; if “yes”, complete each program description below (copy and complete questions for each program identified.)

2. Program Description:

a. Size of Program

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

If the answer to the question above was yes, what is the maximum number of participants this fiscal year?

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:

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.
- c. What actions will the PHA undertake to implement the program this year (list)?
The actions would be:

1. Perform financial analysis to identify affordability gap for qualified Section 8 participants purchasing a home in Pasadena;
2. Identify funding source(s) that would be available to subsidize the affordability gap;
3. Obtain approval of Pasadena Community Development Commission (PCDC) for program funding assistance ; and
4. Enter into a consultant services contract with local nonprofit Pasadena Neighborhood Housing Services, Inc. to coordinate activities of the various collaborative partner agencies that will be involved in this program (PCDC, Women at Work, Montebello Housing Development Corporation., PNHS, Fannie Mae, lenders, etc.).

3. Capacity of the PHA to Administer a Section 8 Homeownership Program:

The PHA has demonstrated its capacity to administer the program by (select all that apply):

- Establishing a minimum homeowner downpayment requirement of at least 3 percent of purchase price and requiring that at least 1 percent of the purchase price comes from the family's resources.
- Requiring that financing for purchase of a home under its Section 8 homeownership will be provided, insured or guaranteed by the state or Federal government; comply with secondary mortgage market underwriting requirements; or comply with generally accepted private sector underwriting standards.
- Partnering with a qualified agency or agencies to administer the program (list name(s) and years of experience below):
- Demonstrating that it has other relevant experience (list experience below):

The list would include:

- a. PCDC administers the Homeownership Opportunities Program ("HOP"), a program which provides 2nd trust deed loan assistance to qualified low and moderate income homebuyers.
- b. PCDC collaborates with other private and public agencies to provide homebuyer assistance and education (Pasadena Foothills Board of Realtors, Pasadena Neighborhood Housing Services, County of Los Angeles, California Cities Home Ownership Authority).
- c. PCDC and the City of Pasadena provide financial assistance and incentives to developers to build affordable home ownership units.

4. 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

5. 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 any 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)

3. The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments: (describe below)
 - a. The PCDC will continue to use funding from the feral government and other resources to provide rental assistance to very low- and low-income households in need of decent, safe and sanitary housing opportunities. Assistance will be provided to the families remaining on the waiting list as funds are available.
 - b. Continue to educate and enlist landlords to accept Section 8 vouchers.
 - c. Continue to apply to HUD for increase in the budget.
 - d. Continue to educate Rental Assistance program participants on how to effectively compete for housing.

6. Supporting Documents Available for Review for Streamlined Annual PHA Plans

PHAs are to indicate which documents are available for public review by placing a mark in the “Applicable & On Display” column in the appropriate rows. All listed documents must be on display if applicable to the program activities conducted by the PHA.

| List of Supporting Documents Available for Review | | |
|--|---|--|
| Applicable & On Display | Supporting Document | Related Plan Component |
| X | PHA Certifications of Compliance with the PHA Plans and Related Regulations and Board Resolution to Accompany the Standard Annual, Standard Five-Year, and Streamlined Five-Year/Annual Plans. | 5 Year and Annual Plans |
| X | PHA Certifications of Compliance with the PHA Plans and Related Regulations and Board Resolution to Accompany the Streamlined Annual Plan. | Streamlined Annual Plans |
| X | Certification by State or Local Official of PHA Plan Consistency with Consolidated Plan. | 5 Year and standard Annual Plans |
| X | Fair Housing Documentation Supporting Fair Housing Certifications: 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 | Housing Needs Statement of the Consolidated Plan for the jurisdiction(s) in which the PHA is located and any additional backup data to support statement of housing needs for families on the PHA's public housing and Section 8 tenant-based waiting lists. | 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 |
| X | Section 8 rent determination (payment standard) policies (if included in plan, not necessary as a supporting document) and written analysis of Section 8 payment standard policies. <input checked="" type="checkbox"/> Check here if included in Section 8 Administrative Plan. | Annual Plan: Rent Determination |
| X | Results of latest Section 8 Management Assessment System (SEMAP). | Annual Plan: Management and Operations |
| X | Any policies governing any Section 8 special housing types <input checked="" type="checkbox"/> Check here if included in Section 8 Administrative Plan. | Annual Plan: |
| 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 (Chapter 20 of the Section 8 Administrative Plan). | Annual Plan: Homeownership |
| X | FSS Action Plan(s) for Section 8 is included in Section 8 Administrative Plan. | Annual Plan |
| X | The results of the most recent fiscal year audit of the PHA conducted under the Single Audit Act as implemented by OMB Circular A-133, the results of that audit and the PHA's response to any findings. | Annual Plan: Annual Audit |
| X | Resident Advisory Board Comments. | Annual Plan |
| X | Public Notices. | Annual Plan |
| X | Public Hearing Comments. | Annual Plan |
| X | Rental Assistance Program Administrative Plan Amendments. | Annual Plan |

ATTACHMENTS

Attachment A – Housing and Community Development Organizational Chart

Attachment B – City of Pasadena, Single Audit (Year ended June 30, 2005)

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 ORGANIZATIONAL CHART

ATTACHMENT "B"

CITY OF PASADENA
SINGLE AUDIT (YEAR ENDED JUNE 30, 2005)

ATTACHMENT "C"

RESIDENT ADVISORY BOARD

ATTACHMENT "D"

RESIDENT ADVISORY BOARD COMMENTS

ATTACHMENT "E"

PUBLIC HEARING COMMENTS

ATTACHMENT "F"

PUBLIC NOTICES

**PUBLIC NOTICE OF THE AVAILABILITY FOR REVIEW OF THE PASADENA
COMMUNITY DEVELOPMENT COMMISSION PUBLICHOUSING
AGENCY (PHA) ANNUAL PLAN FOR FISCAL YEAR 2006-2007.**

The Pasadena Community Development Commission (PCDC) announces that in compliance with the Quality Housing and Work Responsibility Act of 1998 (QHWRA), U.S. Department of Housing and Urban Development (HUD) PHA Plan Final Rule (24 CFR Part 903), Public and Indian Housing (PIH) Notice 2000-43, the PCDC PHA Annual Plan (2006–2007), will be available January 24, 2006, for public view.

The Annual Plan (2006-2007) describes the PCDC's immediate operations, assesses housing assistance needs, housing stock conditions, and rental housing subsidy needs of lower income households for the upcoming fiscal year.

The City of Pasadena Community Development Commission is extremely interested in improving and increasing communication with Pasadena's citizens in the area of housing. Comments on the plan are requested and encouraged.

The PHA Annual Plan will be available for public review at the following locations:

Housing and Community Development:

Renaissance Plaza,
649 North Fair Oaks Avenue, Suite 202,
Pasadena, CA 91103
Office hours are Monday – Thursday between 8:00 a.m. - 5:00 p.m.

Community Facilities:

| | |
|---|----------|
| Jackie Robinson Center – 1020 North Fair Oaks, | 791-7983 |
| Villa-Parke 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 |

All Branches of the Pasadena Public Library:

| | |
|--|----------|
| Central Library - 285 East Walnut, | 744-4052 |
| Allendale – 1130 South Marengo, | 799-2519 |
| Hastings – 3325 East Orange Grove, | 792-0945 |
| Hill Avenue – 55 South Hill, | 796-1276 |
| Lamanda Park – 140 South Altadena Drive, | 793-5672 |
| La Pintoresca – 1355 North Raymond, | 797-1873 |
| Linda Vista – 1281 Bryant, | 793-1808 |
| San Rafael – 1240 Nithsdale Road, | 795-7974 |
| Santa Catalina – 999 East Washington, | 794-1219 |

**Check these facilities for hours of availability*

The PHA Annual Plan will be considered by the Pasadena Community Development Commission on March 27, 2006, and if adopted by the Commission, will be submitted to the U.S. Department of Housing and Urban Development, shortly thereafter.

Comments in writing, from the public, on the PHA Annual Plan will be received by Housing and Community Development, located at Renaissance Plaza, 649 North Fair Oaks Avenue, Suite 202, Pasadena, CA from January 24, 2006 to March 27, 2006. If you have any questions call Myrtle Dunson, City of Pasadena, Housing and Community Development, at (626) 744-8300.

Publish:

Pasadena Star News
Pasadena Journal

Approved as to Form:

BRAD L. FULLER
Assistant City Attorney

Publish Once: January 24, 2006
Account Number: 8112 220 684210 50111

PHA: (626) 744-8300
FAX: (626) 744-8340

NOTICE TO THE PUBLIC OF A PUBLIC HEARING BY THE PASADENA
COMMUNITY DEVELOPMENT COMMISSION TO CONSIDER THE
APPROVAL OF THE PUBLIC HOUSING AGENCY (PHA) ANNUAL PLAN
(2006 – 2007).

In accordance with 24 Code of Federal Regulations, Part 903 et seq., as published by the U.S. Department of Housing and Urban Development (HUD) on December 22, 2000, in the Federal Register, Public and Indian Housing (PIH) Notice 2000-43, and the Quality Housing and Work Responsibility Act of 1998, the Pasadena Community Development Commission (Commission) hereby gives notice that the Public Housing Agency (PHA) Annual Plan (2006-2007), will be considered for approval at a public hearing by the Pasadena Community Development Commission on Monday, March 27, 2006 at 8:00 p.m., or as soon thereafter as the matter may be heard, in the Pasadena Senior Center, Multi-Purpose Room , at 85 Holly Street, Pasadena, California. The purpose of the public hearing is to obtain the views of citizens, service providers, participants, and interested individuals regarding the development of the PHA Annual Plan (2006-2007).

The Annual Plan (2006-2007) describes the Commission's immediate operations, assesses housing assistance needs, housing stock conditions, and rental housing subsidy needs of lower income households for the upcoming fiscal year.

Upon approval by the Commission, the Public Housing Agency (PHA) Annual Plan (2006-2007) will be submitted to HUD to ensure the City will continue to receive federal funds that benefit very low income individuals and households from the rental assistance programs. Rental Assistance Programs subsidies will be contingent upon the availability of funding to the City from HUD, as well as, the preparation and submittal to HUD of the PHA Annual Plans.

ALL INTERESTED AGENCIES, GROUPS, OR INDIVIDUALS who wish to be heard on this matter are invited to attend this public hearing and speak to the Commission at the time and place stated. The Commission will consider approval of the Public Housing Agency (PHA) Annual Plan (2006-2007) at the public hearing after receiving testimony, oral or written.

If you have any questions or require information regarding the Public Housing Agency (PHA) Annual Plan (2006-2007), and/or the process, contact Myrtle Dunson, Housing Assistance Officer, at (626) 744-8300, or provide written comments to: Office of the City Manager Housing and Community Development, 649 N. Fair Oaks Ave., Suite 202, Pasadena, California 91103.

Approved as to Form:

BRAD L. FULLER
Assistant City Attorney

Publish:
Pasadena Journal

Pasadena Star News

Publish Once: January 24, 2006

PHA: (626) 744-8300

Account Number: 8112 220 684210 50111

FAX: (626) 744-8340

**AVISO AL PÚBLICO DE UNA AUDIENCIA PÚBLICA DE LA COMISION DE
DESARROLLO COMUNITARIO DE PASADENA PARA CONSIDERAR LA
APROBACION DEL PLAN ANUAL (2006-2007) DE LA PHA.**

Conforme al Código 24 de Regulaciones Federales, Parte 903 et seq., como lo publico el Departamento Federal de Vivienda y Desarrollo (HUD), siglas en ingles) el 22 de diciembre del 2000, en el Registro Federal, la Noticia 2000-43 de la Vivienda Publica India (PIH, siglas en ingles), y el Acto de Calidad de Vivienda y Responsabilidad de Trabajo de 1998, la Comisión de Desarrollo Comunitario de Pasadena (Comisión) notifica por este medio que el Plan Anual (2006-2007) de la Agencia Publica de Vivienda (PHA, siglas en ingles) será considerado para aprobación en la audiencia publica por la Comisión de Desarrollo Comunitario el lunes, 27 de marzo del 2006 a las 8:00 p.m., o en cuanto el asunto pueda escucharse en el Centro para Personas Mayores de Pasadena, sala Multiusos, 85 Holly St., Pasadena, California. El propósito de esta audiencia será para obtener opiniones de los ciudadanos, proveedores de servicios, participantes e individuos interesados acerca del desarrollo del Plan Anual de la PHA (2006-2007).

El Plan Anual (2006-2007) identifica las operaciones inmediatas de la PCDC, evalúa las necesidades de vivienda, condiciones de abastecimiento de vivienda, y las necesidades de subsidio de vivienda para familias de bajos ingresos para el ano fiscal venidero.

Luego de ser aprobado por la Comisión, el Plan Anual (2006-2007) de la Agencia Publica de Vivienda (PHA) será sometido a HUD para asegurarse que la Ciudad continúe recibiendo fondos federales que benefician a individuos de ingresos muy bajos y a familias de los programas de asistencia de arriendo. La asistencia bajo los programas de asistencia de arriendo dependerá de la disponibilidad de fondos de HUD para la Ciudad, asi como también de la preparación y presentación a HUD de los Planes Anuales de la PHA.

TODAS LAS AGENCIAS, GRUPOS E INDIVIDUOS INTERESADOS que deseen ser escuchados en lo referente a este asunto están invitados a asistir a esta audiencia pública y hablarle a la Comisión en el lugar y hora indicada. Después de recibir los testimonios orales o por escrito, la Comisión considerara la aprobación del Plan Anual (2006-2007) de la PHA.

Si tiene alguna pregunta o necesita información acerca del Plan Anual (2006-2007) de la Agencia Publica de Vivienda (PHA), y/o el proceso, llame a Myrtle Dunson, Oficial de Asistencia de Vivienda, al (626) 744-8300, o presente sus comentarios por escrito a: División de Vivienda y Desarrollo Comunitario, Renaissance Plaza, Suite 202, Pasadena, California 91103.

Publish:

Approved as to Form:

La Opinion

BRAD FULLER

Assistant City Attorney

AVISO AL PÚBLICO QUE EL PLAN ANUAL POR EL AÑO FISCAL 2006-2007 DE LA COMISION DE DESARROLLO COMUNITARIO DE PASADENA, ESTA A DISPOSICION PARA EXAMINAR.

La Comisión de Desarrollo Comunitario de Pasadena (PCDC) anuncia que el Plan Anual (2006-2007) de la Comisión de Desarrollo Comunitario como requiere el Acto de Calidad de Vivienda y Responsabilidad de Trabajo de 1998 (QHWRA, siglas en inglés), el Plan de Regla Final (24 CFR Part 903) del Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos (HUD, siglas en inglés) y la Noticia 2000-43 de la Vivienda Pública India (PIH, siglas en inglés) estará disponible al público para examinar el 24 de enero del 2006.

El Plan Anual (2006-2007) identifica las operaciones inmediatas de la PCDC, evalúa las necesidades de vivienda, condiciones de abastecimiento de vivienda, y las necesidades de subsidio de vivienda para familias de bajos ingresos para el año fiscal venidero.

La Comisión de Desarrollo Comunitario de la Ciudad de Pasadena está extremadamente interesada en mejorar y aumentar la comunicación con los ciudadanos de Pasadena en el área de vivienda. Se les pide e invita a hacer comentarios en relación a este plan.

El Plan Anual de la PHA estará a disposición del público para examinar en las siguientes localidades:

1. **DIVISION DE VIVIENDA Y DESARROLLO COMUNITARIO:**
División de Vivienda
Renaissance Plaza,
649 N. Fair Oaks Ave., Suite 202,
Pasadena, CA 91103
Horas hábiles: de lunes a jueves entre las 8:00 a.m. a 5:00 p.m.

2. **CENTROS COMUNITARIOS:**

| | |
|--|----------|
| Jackie Robinson Center – 1020 North Fair Oaks | 791-7983 |
| Villa Parke 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 Acción Social, Inc. – 37 East Del Mar | 792-3148 |

3. **TODAS LAS SUCURSALES DE BIBLIOTECA PÚBLICA:**

| | |
|---|----------|
| Central Library – 285 East Walnut | 744-4052 |
| Allendale – 1130 South Marengo | 799-2519 |
| Hastings – 3325 East Orange Grove Blvd. | 792-0945 |
| Hill Avenue – 55 South Hill | 796-1276 |
| Lamanda Park – 140 South Altadena Drive | 793-5672 |
| La Pintesca – 1355 North Raymond | 797-1873 |
| Linda Vista – 1281 Bryant | 793-1808 |
| San Rafael – 1240 Nithsdale Road | 795-7974 |
| Santa Catalina – 999 East Washington | 794-1219 |

*Favor de verificar las horas de eficacia directamente con estos lugares.

El Plan Anual de la PHA será considerado por la Comisión de Desarrollo Comunitario de Pasadena el 27 de marzo del 2006, de ser aprobado por la Comisión, será sometido al Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos, inmediatamente después.

Comentarios por escrito, del público, acerca del Plan Anual de la PHA serán recibidos por la División de Vivienda y Desarrollo Comunitario de la Ciudad, localizado en la Renaissance Plaza, 649 N. Fair Oaks Ave., Suite 202, Pasadena, CA del 24 de enero del 2006 al 27 de marzo del 2006. Si tiene alguna pregunta, llame a Myrtle Dunson, División de Vivienda y Desarrollo Comunitario de la Ciudad de Pasadena al (626) 744-8300.

Publish:
La Opinion

Approved as to Form:

BRAD FULLER
Assistant City Attorney

ATTACHMENT "G"

RENTAL ASSISTANCE PROGRAM ADMINISTRATIVE PLAN AMENDMENTS

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CHAPTER 1

STATEMENT OF POLICIES AND OBJECTIVES

MISSION STATEMENT

The Mission of the Pasadena Community Development Commission, is to provide consumer friendly housing and community development services and assistance in an efficient and proficient manner, to the residents, property owners, businesses, public/private institutions, governmental agencies, and others living in, working for or serving the interest of the City of Pasadena.

INTRODUCTION

The Section 8 Housing Assistance Payments Program was originally enacted as part of the U.S. Housing Act of 1937. The Section 8 Rental Certificate and Rental Voucher Programs (Section 8 Program) were also later re-enacted as part of the Housing and Community Development Act of 1974, which recodified the U.S. Housing Act of 1937. The Housing and Community Development Act of 1974 (HCDA) has also been amended from time to time. The federally funded Section 8 Program is administered by the U. S. Department of Housing and Urban Development (HUD) and participating local housing authority/agencies (HA) under the Code of Federal Regulations, Title 24, Subtitle B - Housing and Urban Development, Parts 700-1000 (24 CFR 700-1000) and other applicable federal and local regulations.

The Pasadena Community Development Commission (PCDC) in response to recent changes in federal regulations performed an extensive review of our Rental Assistance Program policies and procedures in compliance with local and federal regulations. Modifications to rental assistance program policies, documents, forms and processing procedures were mandated to ensure compliance with both local and federal program requirements and to implement the Housing Choice Voucher Program (HCVP) effective October 1, 1999. The merger was required by Congress when it enacted the Quality Housing and Work Responsibility Act of 1998. Under the HCVP, the PCDC will no longer issue Section 8 Program certificates. The PCDC will issue only HCVP rental vouchers to newly admitted program participants and to current certificate holders requesting to move. If a program participant was holding an active certificate on October 1, 1999, the certificate was converted to a HCV.

The HCV also gives program participants greater choice in their housing selection. The new HCV allows the program participant to pay more than the minimum required tenant payment for rent of their selected unit as long as the participant's total tenant payment does not exceed forty percent (40%) of their adjusted income.

More specifically, if the gross rent exceeds the appropriate voucher payment standard, the program participant must pay the difference in rent that exceeds the standard. If the program participant is unable to pay the difference in rent, the program participant may use a newly issued HCV to move. This policy is further explained in Chapter 6 and Chapter 13 of this Administrative Plan.

A. RENTAL ASSISTANCE PROGRAMS

The City of Pasadena's Housing Choice Voucher Program (HCVP) serves the jurisdiction within the City boundaries and is operated under the authority of the PCDC which is the designated local housing authority (HA) established by the City in April of 1989. The former Pasadena Housing Authority was consolidated with the Redevelopment Agency as the PCDC, a single operating entity and board, created under the Section 34115 of the State of California Health and Safety Code. The City Council acts as the PCDC and exercises all the rights, powers, duties, and responsibilities of the housing agency. As such, the PCDC actively participates in other HUD Supportive Housing Programs, which provide housing assistance in a manner very similar to the HCVP but with certain provisions for persons with special needs housings. The HUD Rental Assistance Programs covered by the Rental Assistance Program Administrative Plan include Family Self-Sufficiency (FSS), Housing Opportunity for People with AIDS (HOPWA), Shelter Plus Care (SPC), Federal Emergency Management Assistance (FEMA), Supportive Housing and the HOME Investment Partnership (HOME) Tenant-based. Office of the City Manager - Housing & Community Development (HCD) administers the HCVP and the other HUD housing assistance programs on behalf of the PCDC and the City of Pasadena.

Administration of the Rental Assistance Programs (RAP) and the functions and responsibilities HCD shall be in compliance with the City of Pasadena Personnel Policies, the HUD Section 8 Regulations, and all Federal, State and local Fair Housing Laws and Regulations.

B. OBJECTIVES

The RAP is designed to achieve six major objectives:

1. To provide decent, safe, and sanitary housing for very low income families while maintaining their rent payments at an affordable level.
2. To promote freedom of housing choice and spatial de-concentration of very low-income families of all races and ethnic backgrounds.
3. To provide an incentive to property owners (owners) to rent to very low income families by offering timely rental assistance payments.
4. To provide housing opportunities for persons with a special medical or physical need.
5. To assist the local economy by increasing the occupancy rate and the amount of money flowing to the community.
6. To encourage self-sufficiency of participant families.

C. PURPOSE OF THE ADMINISTRATIVE PLAN

The purpose of the Administrative Plan is to establish the policies for carrying out the PCDC Rental Assistance Programs in a manner consistent with HUD requirements and local objectives. The Plan covers both admission and continued participation in these programs. Policies are the same for all programs unless otherwise noted.

The PCDC is responsible for complying with all changes in HUD regulations pertaining to these programs. If such changes conflict with this Plan, HUD regulations will have precedence. The original Plan and any changes must be approved by the Board of Directors of the PCDC and a copy provided to HUD.

D. FAIR HOUSING POLICY [24 CFR 982.54(d) (6)]

It is the policy of the PCDC to comply fully with all Federal, State and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment.

The PCDC shall not deny any family or individual the opportunity to apply for or receive assistance under the RAP on the basis of race, color, sex, religion, creed, national or ethnic origin, age, family or marital status, disability or sexual orientation.

To further its commitment to full compliance with applicable Civil Rights laws, the PCDC will provide Federal/State/local information to Rental Certificate and HCV holders regarding "discrimination" and any recourse available to them if they are victims of discrimination. Such information will be made available during the family briefing session,

and all applicable Fair Housing Information and Discrimination Complaint Forms shall be a part of the Rental Certificate and HCV holder's briefing packet.

Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because the PCDC or HCD's facilities are inaccessible to or unusable by persons with disabilities.

Poster and housing information will be displayed in PCDC main lobby in such a manner as to be easily readable from a wheelchair.

The HCD office is located at 649 North Fair Oaks Avenue, Suite 202, Pasadena, California 91103, and is accessible to persons with disabilities. Accessibility for the hearing impaired is provided by the TTD/TDY telephone number 711.

E. SERVICE POLICY/ACCOMMODATIONS

The service policy is applicable to all situations described in this Administrative Plan when a family initiates contact with the PCDC, and when the PCDC initiates contact with a family.

It is the policy of the PCDC 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 to the families within the PCDC jurisdiction. Coupled with this policy is also the desire to extend customer-friendly and thorough service to applicants, participants, owners and others whom may have interest in the PCDC RAP by making their communication and/or visit to the HCD office as pleasant as possible.

More specifically, when a person visits the HCD office, the visitor will be greeted and requested to provide their name, identify the staff person they wish to speak to, the nature of their visit and if they have a scheduled appointment. The staff member will be immediately contacted and the visitor referred to the appropriate staff member, if available. If it is an applicant, participant or owner who may be requesting general information regarding the status of their particular case, upon presentation of a pictured identification the receptionist will attempt to assist the person by accessing the Emphasis Computer Solution-Memory Lane System to determine the present case status. However, in those situations where the visitor does not have picture identification or a scheduled appointment and the nature of their question requires the attention of a specific staff member who is not available, the visitor will be asked to complete an "Information Request Form" and advised that the appropriate staff member will contact them within 24 hours. The same procedure will be followed for telephone inquiries.

Additionally, the PCDC's policies and practices will be designed to provide assurances that all persons with disabilities will be provided reasonable accommodation so that they may fully access and utilize the housing programs and related services. The availability of specific accommodations will be made known by including notices on PCDC forms and letters to all families, and all requests will be verified so that the PCDC can properly accommodate the need presented by the disability.

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 (RRA) form. However, if assistance is necessary to complete the RRA form, PCDC staff will facilitate.

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 identified 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 disabled person may require.

The PCDC's Reasonable Accommodations Committee (RA Committee) is responsible for reviewing the Requests for Reasonable Accommodations made by applicants and /or participants of the HCV Program. The RA Committee is formed of the Housing Assistant (HA) who is assigned to the family's case and the two Housing Specialists (HS). Once a decision is made by the RA Committee, the assigned HA will be responsible for notifying the family in writing of the RA Committee's decision on their request for reasonable accommodation. The notification to the family will also inform the family of their rights to an informal review or informal hearing, if applicable in accordance to CFR 982.554 and 982.555.

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

- Payment standard maybe adjusted in accordance to the CFR.
- Expiring vouchers with less than 30 days remaining, may be granted an additional 60 days over the 180 days outlined in this Plan.
- Voucher size maybe increased based on veritable accommodations provided by the professional third party.
- PCDC may grant two additional scheduled appointments over the standard written Policy. (see chapter 4)

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.

All requests for accommodation will be verified with a reliable, a knowledgeable, and professional that can verify the identifiable relationship, or nexus, between the requested accommodations and the individual's disability.

The PCDC will notify the family in writing within 60 days or longer, pending the return of required documentation, 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. The PCDC will make two attempts to obtain the required documentation. If the required documentation is not returned, the PCDC will make a determination based on the documentation submitted by the family or requester.

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, if there is no undue administrative or financial burden.

The PCDC will utilize organizations, which provide reasonable assistance for hearing- and sight-impaired persons when needed.

The PCDC is entitled to obtain information that is necessary to evaluate if a requested reasonable accommodation may be necessary because of a disability.

F. TRANSLATIONS OF DOCUMENTS

The PCDC has bilingual staff to assist non-English speaking persons and to translate documents into Spanish.

In determining whether it is feasible to translate documents into other languages, the PCDC will consider the following factors:

1. Number of applicants and participants who do not speak English and speak other languages.
2. Cost of translation into other languages per client.
3. Evaluation of the need for translation by the bilingual staff and by agencies that work with non-English speaking clients.
4. The availability of organizations to translate documents, letters and forms for non-English speaking families.
5. Availability of bilingual staff to explain translated documents to clients.

G. FAMILY OUTREACH

The PCDC will publicize and disseminate information to make known the availability of housing assistance and related services for very low-income families on a regular basis. When the PCDC's waiting list is open, the PCDC will publicize the availability and nature of housing assistance for very low-income families in a newspaper of general circulation, minority media, and by other suitable means. Notices will also be provided in Spanish.

To reach persons, who cannot read the newspapers, PCDC will distribute fact sheets to broadcasting media, and initiate personal contacts with members of the news media and community service personnel. The PCDC will also utilize public service announcements.

The PCDC will communicate the status of housing availability to other service providers in the community; advise them of housing eligibility factors and guidelines in order that they can make proper referrals for housing assistance.

H. OWNER OUTREACH

The PCDC encourages owners of decent, safe and sanitary housing units to lease to families receiving rental assistance. The PCDC maintains a list of interested landlords and available units for the RAP and updates this list at least monthly. When listings from owners are received the PCDC will compile them by bedroom size.

The PCDC will also undertake the following activities to further its outreach efforts:

1. Actively recruit owners and when appropriate grant exception rents for units located in areas with rents higher than the current HUD published Fair Market Rents (FMR) or the average city market rents.
2. Initiate contact with owners and managers by conducting formal and informal discussions and meetings.
3. Provide printed materials such as owner's handbook, owner's packets, program brochures, federal regulations, etc., to acquaint owners and managers with the opportunities available under the program.
4. Actively participate in community-based organizations comprised of property and apartment owners and managers.
5. Periodically evaluate the distribution of assisted families to identify areas within the jurisdiction where owner outreach should be targeted.
6. Conduct periodic meetings with participating owners to improve owner relations and to recruit new owners.

I. PRIVACY RIGHTS

Applicants and participants, including all adults in their households, are required to sign the HUD 9886 Authorization for the Release of Information/Privacy Act Notice (Form HUD 9886) and the PCDC Authorization for Release of Information. These documents incorporate the Federal Privacy Act Statement and describe the conditions under which HUD and PCDC will release family information.

In accordance with HUD requirements [CFR 982.307 (b)], the PCDC will furnish prospective owners with the family's current address as shown in the PCDC's records and, if known to the PCDC, the name, address and telephone number (if known) of the owner at the family's current and prior address. This information will only be provided to prospective owners upon receipt of a written request.

A statement of the PCDC's policy on release of information to prospective owners will be included in the briefing packet, provided to the family. Additionally, the following PCDC practices and procedures will be followed to ensure and safeguard privacy of applicants and program participants:

1. All applicant and participant case files will be stored in the "File Room" in a secure location.

2. PCDC will not discuss family information contained in files unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

J. AFFIRMATIVE ACTION/EQUAL OPPORTUNITY

The City of Pasadena is committed to a policy of Affirmative Action/Equal Opportunity. The policy of the City shall be to provide equal opportunity to all persons and to prevent unlawful denial of opportunity to any individual because of race, gender, religion, creed, sexual orientation, color, marital status, national origins, parental status, ancestry, disability (including AIDS), medical condition and age. The PCDC will comply with the Affirmative Action/Equal Employment Opportunity Practices Provisions of the City of Pasadena, Chapter 4.09 of the Pasadena Municipal Code, and the rules and

regulations adopted pursuant to said ordinance.

K. RULES AND REGULATIONS

This Administrative Plan is set forth to define the PCDC's local policies for operation of the RAP in the context of Federal laws and regulations. All issues related to the HCVP and the other city administered HUD Programs not addressed in this document are governed by such Federal regulations, HUD Memorandums, Notices and Guidelines, or other applicable law.

L. JURISDICTION

The jurisdiction of the PCDC is the City of Pasadena, within the County of Los Angeles, California.

M. MONITORING OF PROGRAM PERFORMANCE

Reports will be maintained to:

1. Monitor funding availability, and ensure the PCDC is at maximum lease up.
2. Track outstanding HCV for expiration and/or suspension.

3. Track timeliness of annual re-examination/inspection activities.
4. Track number of failed inspections and abatements.
5. Track number and reason for moves and terminations of assistance.
6. Track number of new HCV issued.
7. Track status of repayment of amounts owed the HA.
8. Track hard to house families.
9. Monitor /maintain names pulled from waiting list.

In order to ensure quality control, supervisory staff audits the following functions:

1. 50-60 % percent of annual re-examinations.
2. 100% percent of new admissions & in-coming portable families.
3. 100% percent interim re-examinations.
4. 5% percent of the HQS inspections conducted for all units.
5. 100% percent proposed terminations & end of participations.

N. TERMINOLOGY

The Pasadena Community Development Commission is referred to as the PCDC or Public Housing Agency (PHA) throughout this document.

Family is used interchangeably with Applicant or Participant and can refer to a single person family.

Tenant is used to refer to participants in terms of their relation to owners.

Landlord and owners are used interchangeably.

Disability is used where handicap was formerly used.

New Rule refers to the HUD Occupancy Regulations (subsidy standards) effective 10/2/95.

Old Rule refers to the regulations that were superseded on that date.

Unified Rule refers to Part 982 Section 8 Tenant-based Assistance: Unified Rule for Tenant-Based Assistance under the Rental Certificate Program and the Section 8 Rental Voucher Program dated September 11, 1996.

Non-citizens Rule refers to the regulation effective June 19, 1995 restricting assistance to U.S. citizens and eligible immigrants.

Section 8 Tenant-based Assistance programs are also known as the Certificate and Voucher programs.

HQS means the Housing Quality Standards required by regulations as enhanced by the public housing authority/public housing agency (PHA).

Failure to provide refers to all requirements in the Family Obligations. See Chapter 15, Denial or Termination of Assistance.

Housing Choice Voucher Program refers to the Tenant-based Rental Assistance Program that essentially replaced the Section 8 Certificate and Voucher programs, effective, October 1, 1999.

See Glossary for other terminology.

CHAPTER 2

ELIGIBILITY FOR ADMISSION [24 CFR Part 5, Subparts B, D & E; Part 982, Subpart E]

INTRODUCTION

This Chapter defines both HUD's and the PCDC's criteria for admission and denial of admission to the program. The policy of the PCDC is to strive for objectivity and consistency in applying these criteria to evaluate the eligibility of families who apply. The PCDC staff will review all information provided by the family carefully and without regard to factors other than those defined in this chapter. Families will be provided the opportunity to explain their circumstances, to furnish additional information, if needed, and to receive an explanation of the basis for any decision made by the PCDC pertaining to their eligibility.

A. ELIGIBILITY FACTORS

To be eligible for participation, an applicant must meet HUD's criteria, as well as any permissible additional criteria established by the PCDC.

1. An applicant must be a "family."

2. An applicant must be income-eligible, within the appropriate income limits.
3. An applicant must be a citizen or a non-citizen who has eligible immigration status.
4. An applicant must sign an "Authorization for the Release of Information/Privacy Act Notice" form (form HUD-9886).

Note: The proper certification form must be completed for those members of the family who have not been issued a social security number.

For the PCDC's additional criteria for eligibility, see Section F, "Other Criteria for Admission."

The family's initial eligibility for placement on the waiting list will be made in accordance with the eligibility factors. Compliance with the eligibility factors will not be verified before the family is placed on the waiting list. However, evidence of Citizenship/Eligible Immigrant Status will not be verified until the family is selected from the waiting list for issuance of a Housing Choice Voucher (HCV), unless the PCDC has determined that such eligibility is in question, regardless of whether or not the family is at or near the top of the waiting list.

B. FAMILY COMPOSITION [24 CFR 5.403, 982.201]

The applicant must qualify as a "family" as identified below:

1. A "family" may be a single person or a group of persons.
2. A "family" includes a family with a child or children.
3. A group of persons consisting of two or more elderly persons or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides is a family. The PHA determines if any other group of persons qualifies as a "family."
4. A single person family may be:
 - (i) An elderly person.
 - (ii) A displaced person.
 - (iii) A disabled person.
 - (iv) Any other single person.
5. A child who is temporarily away from the home because of placement in a foster care is considered a member of the family.

Discrimination on the basis of familial status is prohibited, and a group of persons may not be denied solely on the basis that they are not related by blood, marriage or operation of law.

Live-In Aides [982.316]

A family that consists of one or more elderly, near-elderly or disabled persons may request that the PHA approve a live-in aide to reside in the unit and provide necessary supportive services for a family member who is a person with disabilities. The PCDC must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR Part 8 to make the program accessible to and usable by the family member with a disability.

The live-in aide:

1. Is determined to be essential to the care and well being to the person with disabilities;
2. Is not obligated for the support of the person(s);
3. Would not be living in the unit except to provide care for the person(s) and;
4. Does not have a separate residence.

Once the PCDC has approved the family's request for a live-in aide, the person selected by the family must be approved by the PCDC and owner. The PCDC may refuse to approve a particular person as a live-in aide, or withdraw such approval if:

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

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

1. Income of the live-in aides will not be counted for purposes of determining eligibility or level of benefits. However, information will be gathered.
2. Live-in aides are not subject to Non-Citizen Rule requirements.

3. Live-in aides will not be considered as a remaining member of the family.

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.

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 number of hours that care will be provided (See Chapter 7).

Family members of a live-in aide may reside in the unit with the approval of PCDC and owner provided doing so does not increase the subsidy by the cost of an additional bedroom, and that the presence of the live-in aide's family members does not overcrowd the unit.

The PCDC has the right to disapprove the person selected as the live-in aide based on the "Other Criteria for Eligibility" described in this chapter.

Families will be required to complete the "Request for Live-in Aide" form. The person approved as the Live-in Aide must complete and sign "Care Attendant/Live-in Aide Certification" form.

C. INCOME LIMITATIONS [24 CFR 982.201]

In order to be income-eligible for assistance, an applicant must be either:

1. A very low-income family; or
2. A low-income family in any of the following categories:
 - a. A low-income family that is "continuously assisted" under the 1937 Housing Act. An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within 90 days of HCVP rental voucher issuance. Programs include public housing, all Rental Assistance Programs and all Section 23 programs.
 - b. A low-income family physically displaced by rental rehabilitation activity under 24 CFR Part 511.
 - c. A low-income non-purchasing family residing in a HOPE 1 or HOPE 2 project.

- d. A low-income family that qualifies for voucher assistance as a non-purchasing family residing in a project subject to a homeownership program under 24 CFR 248.173.
 - e. A low-income or moderate-income family displaced as a result of the prepayment of the mortgage or voluntary termination of insurance contract on eligible low-income housing as defined in Sec. 248.101.
3. HUD requires that at least 75% of new admissions during the PCDC's fiscal year to be targeted to families at or below 30% of median income. This limitation does not apply to continuously assisted families, enhanced rental voucher recipients or certificate families who are converting to rental vouchers.

To determine if the family is income-eligible, the PCDC shall compare the annual income of the family to the applicable income limit in effect for the family's size.

Families whose annual income exceeds the income limit will be denied admission and offered an informal review.

Applicant families who report zero household income will be encouraged and referred to local social service agencies to obtain any benefits which they may be eligible to receive.

Single Jurisdiction Housing Agencies: The applicable income limit to be used at initial issuance of a voucher is the income limit of the housing agency. PCDC is a single jurisdiction-housing agency.

Multi-Jurisdictional Housing Agencies: The applicable income limit used for initial issuance of a voucher is the highest income limit within the housing agency's jurisdiction.

For admission to the program (initial lease-up), the family's income must be within the very low-income limit of the jurisdiction where they want to live.

D. MANDATORY SOCIAL SECURITY NUMBERS [24 CFR 5.216, 5.218]

Families are required to provide verification of social security numbers for all family members age 6 and older prior to admission, if they have been issued a number by the Social Security Administration. This requirement also applies to persons joining the family after admission to the program.

Family must provide Social Security Number for all family members has not been issued a Social Security number, the individual must sign and date a certification that he or she does not have one. The certification should:

1. State the individual's name
2. State the date of birth
3. State that the individual has not been assigned a SSN
4. State that the individual will disclose the number if he or she later obtains a SSN.

NOTE: If the family member who is required to execute a certification is less than 18 years old, the certification must be executed by the individual's parent or guardian unless the person is an emancipated minor.

An applicant must furnish a social security number. Failure to furnish verification of social security numbers is grounds for denial or termination of assistance.

E. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS [24 CFR Part 5, Subpart E]

In order to receive rental assistance, at least one family member must be a U.S. citizen or eligible immigrant. Individuals who are neither may elect not to contend their status. Eligible immigrants are persons who are in one of the six immigrant categories as specified by HUD.

For the Citizenship/Eligible Immigration requirement, the status of each member of the family is considered individually before the family's status is defined.

Eligible Families:

An eligible family will be comprised of citizen(s), national(s) or non-citizen(s) with eligible immigrant status.

Mixed Families: A mixed family is comprised of citizen(s) or eligible non-citizen(s) and those without citizenship or eligible non-citizen status. A mixed family is eligible for prorated assistance. The family may request an informal hearing if they contest this determination.

Ineligible Families: An ineligible family is one in which no member is a citizen, national or eligible immigrant. Families will be denied admission and may request an informal hearing.

Non-citizen Students: Defined by HUD in the non-citizen regulations are not eligible for assistance.

F. OTHER CRITERIA FOR ADMISSION [24 CFR 982.552, 982.553 (C)]

The PCDC may/must apply the following criteria, in addition to the HUD eligibility criteria, as grounds for denial of admission to the program.

1. The family must not have violated any family obligation during a previous participation in the Rental Assistance Program during the last five years.

When the PCDC denies assistance to an applicant with a disability, the applicant may request a review of the family obligation that was violated, if the violation was a result of the disability.

An exception may be granted by the PCDC if the family member who violated the family obligation is not a current member of the household listed on the application.

2. 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.
3. Family must have paid any outstanding debt owed the PCDC or another housing agency as a result of prior participation in any federal housing program.
4. No member of the family may have engaged in drug related or violent criminal activity within the last five years.

The PCDC will not be obligated to ferret out information concerning a family's criminal activities as part of the processing of an application for assistance. Initial screening will be limited to routine inquiries of the family and any other information provided to the PCDC regarding this matter. The inquiries will be standardized and directed to all applicants by inclusion in the application form.

If the family indicates that they have been arrested or convicted within the prior five years for drug-related or violent criminal activity, the PCDC shall obtain verification through police/court records.

Verification of any past activity will be done at the initial eligibility review and will include a check of conviction and other records by a law enforcement agency.

5. No family member may have been evicted from public housing for any reason during the last five years.
6. No family member may have engaged in or threatened abusive or violent behavior toward PCDC personnel or their property after September 1, 1997.
8. Family member(s) must not be subject to a lifetime registration requirement under a state sex offender registration program.

9. No family member may have been convicted of drug-related criminal activity involving manufacture or production of methamphetamine on the premises of federally assisted housing.
10. College students who have not established a separate household from his/her parents or legal guardians for at least one year prior to applying, nor claimed as a dependent by parents or legal guardians on their Internal Revenue Services tax return, and not receiving financial support from parent or legal guardians.

G. SUITABILITY OF FAMILY

The PCDC may take into consideration any of the additional criteria for admission in Section F above, but may not otherwise screen for factors, which relate to the suitability of the applicant family as tenants. It is the responsibility of the owner to screen the applicants as to their suitability for tenancy.

The PCDC will advise families how to file a Housing Discrimination Complaint (form HUD-903) if they have been discriminated against by an owner. The PCDC may also report the owner to HUD (Fair Housing/Equal Opportunity) or the local Fair Housing Organization. A copy of the Housing Discrimination Complaint form will be provided to families at the program briefing.

H. CHANGES IN ELIGIBILITY PRIOR TO EFFECTIVE DATE OF THE CONTRACT

Changes that occur during the period between placement on the waiting list and issuance of a HCV may affect the family's eligibility or total tenant payment. For example, if a family goes over the income limit prior to lease up, the applicant will not be eligible for the program. They will be notified in writing of their ineligible status and their right to an informal review.

I. INELIGIBLE FAMILIES

Families who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an informal review, or an informal hearing if they were denied due to non-citizen status. See Chapter 18, "Complaints and Appeals" for additional information about informal reviews and informal hearings.

CHAPTER 3

APPLYING FOR ADMISSION

INTRODUCTION

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

A. HOW TO APPLY

Families who wish to apply for the PCDC's Housing Choice Voucher Program (HCVP) must enroll during open enrollment. The PCDC will review different intake methods to determine the most effective method. The PCDC enrollment process will be in English, Spanish and other languages specific to the general population provided it does not cause an undue financial burden to the PCDC. Families may request a reasonable accommodation to facilitate the enrollment process.

Applicants will be required to provide information on the family composition, income, and local preference to complete their enrollment. Once the open enrollment process has been completed, their name will be placed on the waiting list. The information provided will be the basis for the family's placement on the waiting list. Providing false, incomplete or inaccurate information will be grounds for denial of placement on the waiting list.

The open enrollment period and process for the targeted Supportive Housing Programs may vary from the above (see Chapter 21).

B. OPEN ENROLLMENT [24 CFR 982.206, 982.54(d) (1)]

The PCDC will utilize the following procedures for opening the waiting list. When the PCDC has determined that either, **1)** it is in receipt of additional funding allocations from HUD and subsequent amendment to the Consolidated Annual Contributions Contract (ACC) for new vouchers and/or **2)** the existing waiting list has been substantially depleted (200 names or less of applicants with residency preference), the PCDC may open registration to the waiting list for new applicants. Opening of the waiting list (open enrollment) will be advertised through an affirmative marketing strategy, which will give 30-day advance notice prior to open enrollment. The following marketing methods may be utilized to disseminate information regarding open enrollment to the widest spectrum of the general public:

1. Public notifications in local newspapers of general circulation.
2. Public service announcements on local television and cable networks.
3. Announcements in minority media.
4. Distribution of notices to social services agencies (i.e. Social Security Administration, Department of Public Social Services, Employment Development Department, City Department of Human Services, Recreation and Neighborhoods, Pasadena Senior Center, etc.).
5. Notification and solicitation of current HCVP participants and owners to inform interested households; and
6. Other suitable means for the notification of the availability and nature of the HCVP, such as:
 - a. Special feature articles in local newspapers or on local cable networks, which highlight how the program can assist various types of households.
 - b. Provision of a HCVP fact sheet to the broadcast media.

- c. Distribution of pamphlets and other program information in English, Spanish, and other languages specific to the general population provided it does not cause an undue financial burden to the PCDC.
- d. Direct contact with civic organizations and agencies for whose constituents English is not their primary language.

The open enrollment process will be reviewed to ascertain which outreach methods have been most effective. Based on the findings reached after examination of the data, the PCDC will take additional steps to enhance its future outreach efforts.

The Public Notice must contain:

1. The dates and times when families may apply and the method of enrollment.
2. The program(s) for which applications will be taken.
3. A brief description of the program.
4. Limitations, if any, on whom may apply.

The notices will provide potential applicants with information that includes the PCDC's telephone number, how the open enrollment process will be handled, when the HCVP enrollment will be taken, information on eligibility requirements, and the availability of local preferences.

Suspension of Enrollment Period

If the PCDC determines that the existing waiting list contains an adequate pool for the use of available program funding, the PCDC may stop accepting new applications, or may accept only applications meeting criteria adopted by PCDC.

The open enrollment period shall be long enough to achieve a waiting list adequate to cover projected turnover and new allocations. The PCDC will give not less than five days public notice prior to closing the waiting list.

C. APPLICATION PROCEDURES

PCDC conducts an open enrollment process to establish a Section 8 HCVP waiting list. Applications will only be processed during the specified periods and following the conditions that the PCDC has publicly announced.

D. HCVP APPLICATION PROCEDURES [24 CFR 982.204 (b)]

The PCDC will utilize a cover letter and full application form (application) to collect all necessary admission information and required documents. The application and applicable documents are to be filled out by the applicant and returned to the PCDC within 15 days of the applicant's receipt. All documents must be returned to the PCDC by the established deadline indicated in the cover letter.

The purpose of the application is to permit the PCDC to assess if the family is preliminarily eligible or ineligible for rental assistance and to determine the family's placement on the waiting list. The application may contain questions designed to obtain the following information:

1. Name and age of applicant and all household members.
2. Sex and relationship of all household members.
3. Home address and telephone numbers.
4. Mailing address (P.O. Box or other reliable address).
5. Assets owned by any and all household members.
6. Amount(s) and source(s) of income received by household members.
7. Information regarding disabilities relating to program requirements (i.e., allowances).
8. Information related to qualification for preferences.
9. Social Security Numbers.
10. Race/ethnicity.
11. Citizenship/eligible immigration status.
12. Convicted of and/or engaged in drug related or violent criminal activity.
13. Request for reasonable accommodation needed to fully utilize program and services.
14. Program integrity questions regarding previous participation in HUD programs.

Duplicate applications, including applications from a segment of an applicant household, will be combined as one. Incomplete applications will not be accepted.

The initial processing of applications will not require an interview. Eligibility will be determined when an availability of a new HCV exists for issuance, and applicant

information has been verified or re-verified no more than 60 days prior to scheduled date for issuance of the HCV.

Applicants are required to inform the PCDC in writing within 15 days of changes in family composition, income, and address, as well as any changes in their preference status. Applicants are also required to respond to requests from the PCDC to update information on their application, and/or to determine their continued interest in assistance. The applicant will usually be requested to return the information to the PCDC within 15 days. Failure to provide information or to respond to mailings will result in the applicant being removed from the waiting list. See Chapter 19, "Complaints and Appeals".

If a letter is returned by the Post Office without a forwarding address, the applicant will be removed without further notice and the envelope and letter will be maintained in the file. If correspondence is returned with a forwarding address, it will be re-mailed to the address indicated by the Post Office. However, the correspondence will only be re-mailed once. In the event that the correspondence is returned by the Post Office a second time, the applicant will be removed from the waiting list due to the family's failure to report a change of address.

E. TIME OF SELECTION

Families will be selected from the waiting list in their preference-determined sequence when funding is available, regardless of family size. When there is insufficient funding available for the family at the top of the list, the PCDC will not admit any other applicant until funding is available.

A pool of 25 completed eligible applicant files will be maintained to minimize delays in admissions when funding becomes available. However, families will be only offered a HCV in accordance with their placement on the waiting list.

F. COMPLETION OF A FULL APPLICATION

All applicants will be required to participate in a full application interview with a PCDC representative. During the interview the applicant will be required to furnish true, complete and accurate information requested by the interviewer. The PCDC interviewer will review and update the HCVP Application with the family. The applicant will sign and certify that all information is true, complete and accurate.

G. INTERVIEW REQUIREMENTS

The PCDC utilizes the full application interview to discuss the family's circumstances in greater detail, to clarify information, which has been provided by the family, and to ensure that the information is true and complete. The interview is also used as a vehicle to meet the informational needs of the family by providing information about the application and verification process, as well as to advise the family of other PCDC services or programs,

which may be available. All adult family members are required to attend the interview and sign the PCDC Housing forms. Exceptions may be made for family members for whom attendance would be a hardship. However, the head and spouse of the household are both required to attend the interview.

If the applicant misses the scheduled appointment, a second appointment will be scheduled. If the applicant misses two scheduled/rescheduled appointments, the PCDC will remove the applicant's name from the waiting list.

If an applicant fails to appear for their second appointment without prior approval of the PCDC, their application will be denied unless they can provide acceptable documentation to the PCDC that an emergency prevented them from calling.

Applicant must submit written request for reasonable accommodation, at least five days prior to the scheduled appointment if the family requires a reasonable accommodation to facilitate the interview.

If the application is denied due to the applicant's failure to attend the scheduled appointments, the applicant will be notified in writing and offered an opportunity to request an informal review. (See Chapter 19, "Complaints and Appeals.")

All adult family members must review and sign the following program forms:

1. Form HUD-9886 Authorization for the Release of Information/Privacy Act Notice.
2. Form HUD-1140 Things You Should Know.
3. Federal Privacy Act Statement.
4. PCDC Authorization for Release of Information.
5. HCVP Application and all supplemental forms required by the PCDC.
6. Declaration of Section 214 Status.
7. Client Screening – Criminal History Background.

Applicants will be required to sign specific verification forms for information and all supplemental forms required by the PCDC. Failure to do so will be cause for removal of the applicants name from the waiting list. However, a person with documented and/or demonstrated disabilities can designate a person to sign on their behalf.

Information provided by the applicant will be verified. Verifications may not be more than 60 days old at the time of HCV issuance.

If the PCDC determines at or after the interview that additional information or documents are needed, the PCDC will request the documents or information in writing. The applicant will be given 15 days to supply the information.

The appointment letter with the Eligibility Fact Sheet will be considered the first request for information and/or documentation. If the family fails to submit all of the requested information and/or documentation at the time of the interview, the family will be provided with a list of information and/or documentation to submit by an established deadline. This will be considered a second and final request.

If the family fails to supply the requested information by the established deadline after a second and final request has been made, the PCDC will provide the applicant with a notification of removal of their name from the waiting list. (see Chapter 19, "Complaints and Appeals")

H. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY

After the verification process is completed, the PCDC will make a final determination of eligibility. The PCDC's final determination will be based on the information verified and the current eligibility criteria in effect. If the applicant is determined to be eligible, the PCDC will mail a notification of eligibility. A briefing will be scheduled for the issuance of a HCV and the applicant's orientation to the HCVP.

CHAPTER 4

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

INTRODUCTION

It is the PCDC's objective to ensure that the applicants are placed in the proper order on the waiting list so that an offer of assistance is not delayed to any applicant, or made to any applicant prematurely.

This chapter defines the eligibility criteria for local preferences, which the PCDC has adopted to meet local housing needs and explains the PCDC's system of applying them.

By maintaining an accurate waiting list, the PCDC will be able to perform the activities which will ensure that an adequate pool of qualified applicants will be available so that program funds are used in a timely manner.

A. APPLICATION POOL

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

1. The applications will be maintained in a database file.
2. All applicants in the pool will be maintained in the order of preference and date and time of the application.

The waiting list will contain the following information for each applicant:

1. Applicant Name
2. Family unit size (number of bedrooms for which family qualifies based on the occupancy standards)
3. Date and time of application
4. Qualification of any local preferences
5. Racial or ethnic designation of the head of household

The order of admission from the waiting list may not be based on family size, or on the family unit size for which the family qualifies under the PCDC occupancy policy. If the PCDC does not have sufficient funds to subsidize the family unit size of the family at the top of the waiting list, the PCDC may not skip the top family to admit an applicant with a smaller family unit size.

When HUD awards the PCDC funding for a specified category of families on the waiting List, the PCDC must select applicant families in the specified category. The PCDC must use a single waiting list for admission to its Section 8 tenant-based assistance program.

Special Admissions [24CFR 982.4, 982.203]

The PCDC may admit a family that is not in the PCDC waiting list, or without considering the family's waiting list position. The PCDC will maintain records showing that the family was admitted with HUD-targeted assistance.

The PCDC must use the assistance for the families living in these units.

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

1. A family displaced because of demolition or disposition of a public or Indian housing project;
2. A family residing in a multifamily rental housing project when HUD sells, forecloses or demolishes the project;
3. For housing covered by the Low Income Housing Preservation and Resident Homeownership Act of 1990;
4. Contract at or near the end of the HAP contract term; and
5. A non-purchasing family residing in a HOPE 1 or HOPE 2 project.

Applicants who are admitted under targeted funding which are not identified as a Special Admission would be identified by codes in the automated system and are maintained on separate waiting lists.

B. WAITING LIST PREFERENCES [24 CFR 982.553]

An applicant will not be granted any preference if any member of the family has been evicted from any federally assisted housing during the past three years because of drug-related criminal activity.

The PCDC may grant an exception to such a family if:

1. The responsible member has successfully completed a rehabilitation program.
2. The evicted person was not involved in the drug-related activity that occasioned the eviction.
3. The evicted person is no longer involved in any drug related criminal activity.

If an applicant makes a false statement in order to qualify for a preference, the PCDC will deny the preference. If the applicant falsifies documents in order to qualify for a preference the application will be disqualified.

C. LOCAL PREFERENCES [24 CFR 982-207]

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 in Pasadena.
2. Applicants in which the head of household or spouse works full-time, or attends school full-time (as defined by the school or institution) within the PCDC's jurisdiction.
3. PCDC assisted housing preference for applicants in which the head of household lives in a PCDC assisted housing development.
4. Disabled preference for applicants in which the head of household or spouse is disabled.
5. 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.

6. Applicants who have been involuntarily displaced (as described below).
7. Applicants who are currently residing in substandard housing (as described below).

Preferences will be verified pursuant to the verification process outlined in Chapter 7.

Involuntary Displacement

Involuntarily displaced applicants are applicants who have been involuntarily displaced and are not living in standard, permanent replacement housing, or will be involuntarily displaced within no more than six months from the date of preference status verification by the PCDC.

Families are considered to be involuntarily displaced if they are required to vacate housing as a result of:

1. A disaster (fire, flood, earthquake, etc.) that has caused the unit to be uninhabitable. To receive the preference for involuntary displacement, a written notice of displacement must be submitted. This notice can be provided by an agency or government in the case of displacement due to natural disaster such as fire, earthquake, or flood or displacement due to governmental action.
2. Federal, state or local government action related to code enforcement, public improvement or development.
3. Action by a residential property owner which is beyond an applicant's ability to control, and which occurs despite the applicant's having met all previous conditions of occupancy, and is other than a rent increase.

If the owner is an immediate family relative and there has been no previous rental agreement and the applicant has been part of the owner's family immediately prior to application, the applicant will not be considered involuntarily displaced.

For purposes of this definitional element, reasons for an applicant's having to vacate a housing unit include, but are not limited to:

- a. Conversion of an applicant's housing unit to non-rental or non-residential use;
- b. Closure of an applicant's housing unit for rehabilitation or non-residential use;
- c. Notice to an applicant that s/he must vacate a unit because the owner wants the unit for the owner's personal or family use or occupancy;
- d. Sale of a housing unit in which an applicant resides under an agreement that the

unit must be vacant when possession is transferred; or

- e. Any other legally authorized act that results, or will result, in the withdrawal by the owner of the unit or structure from the rental market. In the case of displacement by a residential property owner, a copy of the notice to vacate stating the reason(s) for eviction must be provided.

4. Actual or threatened physical violence directed against the applicant or the applicant's family by a spouse or other household member who lives in the unit with the family.

The actual or threatened violence must have occurred within the past 120 days or be of a continuing nature.

An applicant who lives in a violent neighborhood or is fearful of other violence outside the household is not considered involuntarily displaced.

To qualify for this preference, the abuser must still reside in the unit from which the victim was displaced. The applicant must certify that the abuser will not reside with the applicant unless the PCDC gives prior written approval.

The PCDC will approve the return of the abuser to the household under the condition that a counselor, therapist or other appropriate professional recommends in writing that the individual be allowed to reside with the family.

If the abuser returns to the family without approval of the PCDC, the PCDC will deny or terminate assistance for breach of the certification.

The PCDC will take precautions to ensure that the new location of the family is concealed in cases of domestic abuse.

5. To avoid reprisals because the family provided information on criminal activities to a law enforcement agency and, after a threat assessment, the law enforcement agency recommends re-housing the family to avoid or reduce risk of violence against the family.

The family must be part of a Witness Protection Program, or the HUD Office or law enforcement agency must have informed the PCDC that the family is part of a similar program.

The PCDC will take precautions to ensure that the new location of the family is concealed in cases of witness protection.

6. By hate crimes if a member of the family has been the victim of one or more hate crimes, and the applicant has vacated the unit because of the crime or the fear of such a crime has destroyed the applicant's peaceful enjoyment of the unit.

A hate crime is actual or threatened physical violence or intimidation that is directed against a person or his property and is based on the person's race, color, religion, sex, national origin, disability or familial status including sexual orientation and which occurred within the last 120 days or is of a continuing nature.

7. Displacement by non-suitability of the unit when a member of the family has a mobility or other impairment that makes the person unable to use critical elements of the unit and the owner is not legally obligated to make changes to the unit.

Critical elements are entry and egress of unit and building, a sleeping area, a full bathroom, a kitchen if the person with a disability must do their own food preparation, etc.

8. Due to HUD disposition of a multifamily project under Section 203 of the Housing and Community Development Act Amendments of 1978.

Standard Replacement Housing

In order to receive the displacement preference, applicants who have been displaced must not be living in "standard, permanent replacement housing."

Standard replacement housing is defined as housing that is decent, safe and sanitary according to Housing Quality Standards (HQS) that is adequate for the family size according to HQS, and that the family is occupying pursuant to a written or oral lease or occupancy agreement.

Standard replacement housing does not include transient facilities, hotels, motels, temporary shelters, and (in the case of Victims of Domestic Violence) housing occupied by the individual who engages in such violence. It does not include any individual imprisoned or detained pursuant to State Law or an Act of Congress. Shared housing with family or friends is not considered temporary and is not considered standard replacement housing.

Substandard Housing

Applicants who live in substandard housing are families whose dwelling meets one or more of the following criteria provided that the family did not cause the condition:

1. Is dilapidated, as cited by officials of a code enforcement office and does not provide safe, adequate shelter; has one or more critical defects or a combination of defects requiring considerable repair; endangers the health, safety, and well being of family.
2. Does not have operable indoor plumbing.
3. Does not have usable flush toilet in the unit for the exclusive use of the family.
4. Does not have usable bathtub or shower in unit for exclusive family use.
5. Does not have adequate, safe electrical service.
6. Does not have an adequate, safe source of heat.
7. Should, but does not, have a kitchen. (Single Room Occupancy [SRO] Housing is not substandard solely because it does not contain sanitary and/or food preparation facilities in the unit).
8. Has been declared unfit for habitation by a government agency.
9. Is overcrowded according to HQS. Note: Persons who reside as part of a family unit shall not be considered a separate family unit for substandard housing definition preference purposes.

Applicants living in Public Housing or publicly assisted housing shall not be denied this preference if unit meets the criteria for the substandard preference.

10. An applicant who is a "Homeless Family" is considered to be living in substandard housing. "Homeless individual or family" is one who:

Lacks a fixed, regular and adequate nighttime residence and has a primary nighttime residence that is:

- a. A supervised public or private operated shelter designated to provide temporary living accommodations (including welfare hotels, congregate shelters and transitional housing for mentally ill); or
- b. An institution providing temporary residence for individuals intended to be institutionalized; or
- c. A public or private place not designed for or ordinarily used as a regular sleeping accommodation for humans.

Families who are residing with friends or relatives on a temporary basis are not considered homeless.

D. TARGETED FUNDING

When HUD awards special funding for certain family types, families who qualify are placed on the supportive services waiting list.

The PCDC has the following "Targeted" Supportive Housing Programs:

1. Shelter Plus Care.
2. Housing Opportunities for Persons With AIDS (HOPWA).
3. Supportive Housing (Continuum of Care).
4. HOME Tenant-Based Rental Assistance (TBRA).
5. Family Self-sufficiency (FSS).

E. PREFERENCE ELIGIBILITY

Change in Circumstances

Changes in an applicant's circumstances while on the waiting list may affect the family's entitlement to a preference. Applicants are required to notify the PCDC in writing when their circumstances change.

When an applicant claims an additional preference, s/he will be placed on the waiting list in the appropriate order determined by the newly claimed preference.

F. ORDER OF SELECTION [24 CFR 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 – lives in City of Pasadena: 20 pts.
- b. Works full-time or attends school full-time in City of Pasadena: 18 pts.
- c. Residency in PCDC assisted housing developments: 15 pts.
- d. Families with a disabled head of household or spouse: 5 pts.
- e. Substandard Housing: 3 pts.
- e. Involuntary Displacement: 3 pts.
- f. Veteran's preference: 2 pts.

Among Applicants with Equal Preference Status

Among applicants with equal preference status, the waiting list will be organized by date and time that each application was submitted to the PCDC.

G. FINAL VERIFICATION OF PREFERENCES

Preference information on applications will be updated as applicants are selected from the waiting list. At that time, applicants will be required to submit the appropriate documentation to support their claim of preference. In order to qualify for a preference, the documentation submitted by the applicant must support the claim for the preference as defined by HUD and/or the PCDC.

H. PREFERENCE DENIAL

If the PCDC denies a preference, the PCDC will notify the applicant in writing of the reasons the preference was denied and offer the applicant an opportunity for a meeting to review the determination. If the preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the applicant will be placed on the waiting list without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

If the applicant falsifies documents in order to qualify for any preference, their application will be disqualified and they will be removed from the Waiting List.

I. REMOVAL FROM WAITING LIST [24 CFR 982.204 (c)]

If an applicant fails to respond to a mailing from the PCDC, the applicant will be sent a second and final written notification and given 15 days to respond. If they fail to respond within the 15 days, they will be removed from the waiting list. An extension will be considered as a reasonable accommodation if requested by a person with a disability within the 15 days of receipt of the letter.

If a letter is returned by the Post Office without a forwarding address, the applicant will be removed without further notice and the envelope and letter will be maintained in the file. If a correspondence is returned with a forwarding address, it will be re-mailed to the address indicated by the Post Office. . However, the correspondence will only be re-mailed once. In the event that the correspondence is returned by the Post Office a second time, the applicant will be removed from the waiting list. Applicants will not be entitled to the grace period for misdirected mail due to the applicant's failure to report a change of address to the PCDC or applicant's failure to correctly list their address on the application and/or any updates.

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless documented evidence can be provided to indicate their inability to respond to the letter due to disability within 30 days for 30 days from the disqualification.

If an applicant fails to honor the first scheduled appointment to come into the office or/and to submit requested documents, the PCDC will schedule a final appointment. If the applicant fails to honor the final appointment, the applicant will be removed from the waiting list. The PCDC may accommodate the applicant if the applicant can provide documentation of a legitimate reason for failure to attend (i.e. emergency, medical, disability, etc.).

An applicant can request to be placed back on the waiting list only once, provided the applicant can demonstrate a valid reason to support their request (i.e. medical, etc.). However, the applicant's name will be removed from the waiting list if the PCDC determines that a valid reason does/did not exist.

If an applicant fails to honor two briefing sessions' appointments, the application for rental assistance will be disqualified.

An applicant will be removed from the waiting list if the sole member listed on the application has passed away or is permanently residing in a convalescent home. In the event that the head of household passes away or resides in a convalescent home, the application will only be re-assigned if the application lists an adult family member other than the head of household. If the application reflects more than two adult family members, the family must select a new head of household. In the event that the family cannot decide, then the PCDC will disqualify the application. If the member of the household is the live-in aide, the application will be disqualified.

If the head of household is no longer interested and has provided a written notarized affidavit to that affect, the application may be disqualified or may be re-assigned to an adult family member who was listed on the original application.

CHAPTER 5

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

INTRODUCTION

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

A. DETERMINING BEDROOM SIZE [24 CFR 982.402]

All standards in this section relate to the number of bedrooms on the rental certificate or voucher, not the family's actual living arrangements. The PCDC does not determine who shares a bedroom/sleeping room. The PCDC's subsidy standards for determining the HCV bedroom size will be applied consistently for all families of like size and composition. The PCDC will apply the guidelines listed below when determining the HCV bedroom size:

1. Foster children will be included in determining unit size only if they will be in the unit for more than three months.
2. A child who is temporarily away from the home because of placement in foster care will be considered when determining the voucher bedroom size, only if the family submits documentation supporting the placement is temporary and does not exceed three months from the date the HCV was issued.
3. Full time students who will be living away from home will be removed from the household.
4. A family member who will be absent from the home for more than three consecutive months in a 12 month period will not be considered when determining the HCV bedroom size.
5. Any live-in aide (approved by the PCDC to reside in the unit to care for a family member who is disabled or is at least 50 years of age) must be counted in determining the HCV bedroom size.

6. Unless a live-in aide resides with the family, the family unit size for any family consisting of a single person must be either a zero or one-bedroom unit as determined under the PCDC subsidy standards.
7. In determining family unit size for a particular family, the PCDC will not grant an exception to its established subsidy standards. However, the PCDC may grant an exception to the subsidy standards as a reasonable accommodation.

A single person who is pregnant

1. A single pregnant woman must be at or below the income limit for one person.
2. In establishing the appropriate space standards for the number of bedrooms, the PCDC will consider the size of the household with the unborn child included.
3. The single pregnant woman will not be entitled to the benefit of the \$480.00 dependent allowance until after the birth of the child during interim re-examination.

B. CHANGES IN BEDROOM SIZE FOR HCV HOLDERS [24 CFR 982.403]

Changes for Applicants

The members of the family residing in the unit must be approved by the PCDC. The family must obtain approval of any additional family member before the person occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform the PCDC within 15 days. If an applicant with a voucher reports a change in family circumstances prior to admission the family's eligibility will be re-evaluated.

When a change in family composition requires the issuance of another size rental certificate or voucher, and funds are not available for the program in which the family is assisted, the family will wait until funds are available.

Changes for Participants

The members of the family residing in the unit must be approved by the PCDC. The family must obtain approval of any additional family member before the person occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform the PCDC within 15 days.

Under-housed and Over-housed Families

If a unit does not meet HQS space standards due to an increase in family size, (unit too small), the PCDC will issue a new HCV and Provide marketing list if available. For over-housed families the HCV size will be re-evaluated and the tenant will have the option to remain in the unit or relocate.

C. UNIT SIZE SELECTED

The family may select a different size dwelling than that listed on the HCV. The following criteria should be considered:

1. **Utility Allowance:** The utility allowance used to calculate the gross rent is based on the actual size of the unit the family selects, regardless of the bedroom size authorized.
2. **Housing Quality Standards:** The standards allow two persons per living/sleeping room and permit maximum occupancy levels (assuming a living room is used as a living/sleeping area) as shown in the table below. The levels may be exceeded if a room in addition to bedrooms and living room is used for sleeping.
3. For a voucher tenancy, the PCDC establishes payment standards by number of bedrooms. The payment standards for the family must be the lower of:
 - The payment standard for the family unit size; or
 - The payment standard for the unit size rented by the family.
4. The family may lease an otherwise acceptable dwelling unit with fewer bedrooms than the family unit size. However, the dwelling unit must meet the applicable HQS space requirements.
5. The family may lease an otherwise acceptable dwelling unit with one bedroom than the family unit size. However, the issued HCV payment standard will be used to determine the contract rent.

HOUSING QUALITY STANDARDS (HQS) GUIDELINES FOR UNIT SIZE SELECTED

| Number of Bedrooms | Persons in Household (Minimum #) | Persons in Household (Maximum #) |
|---------------------------|---|---|
| 0 Bedroom | 1 | 1-2 (domestic partners) |
| 1 Bedroom | 1 | 4 |
| 2 Bedrooms | 4 | 6 |
| 3 Bedrooms | 6 | 8 |
| 4 Bedrooms | 8 | 10 |
| 5 Bedrooms | 10 | 12 |

The bedroom size on the HCV will remain the same as long as the family composition remains the same, regardless of the actual unit size rented.

The number of bedrooms on the voucher cannot be more than the number of persons in the household.

CHAPTER 6

FACTORS RELATED TO TOTAL TENANT PAYMENT DETERMINATION [24 CFR Part 5, Subparts E and F; 5.603, 5.609, 5.611, 5.615, 5.617, 5.520, 5.630, 982.153, 982.312, 982.516, 982.518, 982.551,]

INTRODUCTION

The accurate calculation of annual income and adjusted income will ensure that families are not paying more or less money for rent than their obligation under the regulations. This chapter defines the allowable deductions from annual income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 5, Subparts E and F, and further instructions set forth in HUD Notices, Memoranda and Addenda. The formula for the calculation of TTP is specific and not subject to interpretation. The PCDC's policies in this chapter address those areas, which allow the PCDC discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

A. INCOME AND ALLOWANCES

Annual Income is defined as all amounts, monetary or not, which: (1) Go to, or on behalf of the family head or spouse (even if temporarily absent) or to any other family member; or (2) are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date.

Elements of Annual Income:

- Income from Assets: Annual income includes income from assets earned during the 12-month period and to which any family member has access.
- Income of Dependents: A dependent is a family member who is under 18 years of age, is disabled, or is a full-time student. The head of household, spouse, foster child, or live in aide are never dependents. Some income contributed to the household by dependents is counted and some is not.
- Earned income of minors (family member under 18) is not counted.
- Unearned income of both children and adults is counted.
- Although full-time students 18 years of age or older are technically identified as dependents, a small amount of their earned income will be counted. Count only

earned income up to a maximum of \$480 per year for full-time students; age 18 or older, who are not the heads of household or spouse. If the income is less than \$480 annually, count it all. If the annual income exceeds \$480, count \$480 and exclude the amount that exceeds \$480.

- All income of a full-time student, 18 years of age or older, is counted if that person is the head of household or spouse.
- A payment received by the family for the care of foster children or foster adults is not counted. This applies only to payments made through the official foster care relationships with local welfare agencies.

Income of Temporarily Absent Family Members:

PCDC must count all income of family members whom PCDC has approved to reside in the unit, even if they are temporarily absent. This includes family members who are temporarily confined to a nursing home or hospital.

All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, spouse, or other person whose dependents are residing in the unit.

The only exception is special pay for exposure to hostile fire.

Income of Family Members who work as Private Nurse/Care Attendant:

The PCDC must count all income of family members whom have reported that they work as a Private Nurse/Care Attendant, and are away for the majority of the week and come back to the assisted unit during their days off.

Regular Contributions and Gifts:

PCDC must count as income any regular contributions and gifts (monetary or not) from persons outside the family. This may include rent and utility payments paid on behalf of the family and other cash or non-cash contributions provided on a regular basis.

Any contribution or gift received every three months or more frequently will be considered a "regular" contribution or gift. It does not include casual contributions or sporadic gifts. (See Chapter 7, "Verification Procedures," for further definition.)

If the family's expenses exceed its known income, the PCDC will question the family about contributions and gifts.

Temporary Income:

Income from seasonal employment, (income that lasts only for a portion of the year) must be counted.

Income from Business (Includes Self-Employment Income):

The net income from the operation of a business or profession must be included. Expenditures for business expansion or amortization of capital indebtedness may not be used as deductions in determining net income. An allowance for straight-line depreciation of assets used in a business or profession may be deducted.

Withdrawal of cash or assets from the operation of a business or profession is counted as income except when the withdrawal is for reimbursement of amounts the family has invested in the business.

Student Financial Assistance:

All forms of student financial assistance (grants, scholarships, educational entitlements, work study programs, and financial aid packages) are excluded from annual income. This is true whether the assistance is paid to the student or directly to the institution, and applies to all family members who are students, full- or part-time, including the head, spouse, or co-head, and applies to all family members who are students/ full- or part-time, including the head, spouse, and co-head.

(Students receiving athletic scholarship assistance with a specified amount available for housing costs or one that allows for a portion of the scholarship to be used towards housing costs in excess of five thousand dollars (\$5,000.00) annually may be denied admission to the HCV program). (See Chapter 2)

State or Local Employment Training Programs:

Exclude incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs and training of a family member as resident management staff.

- A qualified training program is one that is part of a state or local employment-training program and has clearly defined 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.
- Only exclude the compensation related to the training; other sources of household income are still included.

- Exclude the income only for the period during which the family member is actually participating in a qualifying training program.

Earned Income Disallowance for Persons With Disabilities:

This disallowance applies to participants in the Housing Choice Voucher Program.

A “qualified family” is a disabled family receiving rental assistance whose annual income increases due to one of the following reasons:

1. Employment of a family member who is a person with disabilities, AND was previously unemployed for one or more years prior to employment. (HUD’s definition of “previously unemployed” includes a person who has earned, in the 12 months prior to employment, not more than would have been earned at the established minimum wage working 10 hours per week for 50 weeks).
 2. Increased earning by a family member who is a person with disabilities, AND is a participant in any economic self-sufficiency or job-training program.
 3. New employment or increased earning by a family member who is a person with disabilities, AND within the past 6 months, has received assistance, benefits or services under any state program for temporary assistance (TANF, Welfare-to-Work)
 - a. Not limited to cash assistance.
 - b. Includes one-time payments, wage subsidies, transportation assistance.
 - c. Total amount over a six-month period must be at least \$500.
- Initial 12-Month full month exclusion begins the date the family member (with disabilities) is employed, or first experiences an increase in income due to employment.

The full amount of increase is excluded, and the exclusion extends for a total of 12 cumulative months.

- Second 12-month exclusion and phase-in begins when the family member has received 12 cumulative months of full exclusion. 50% of any increase is excluded. The exclusion extends for a total of 12 cumulative months.
- Lifetime maximum four year disallowance. The initial full exclusion is applied for a maximum of 12 cumulative months. The phase-in 50% exclusion is applied for a maximum of 12 cumulative months.

The family member may start and stop employment and the exclusion may start and stop during a 48-month period beginning on the date of the initial exclusion.

No exclusion may be given after the 48-month period, regardless of whether the family member has received the full exclusion for a total of 12 months *or* the phase-in exclusion for a total of 12 months.

Reduction in Benefits:

If the family's welfare benefits are reduced or lost due to the expiration of a lifetime benefit limit, the family's rent burden will be reduced according to the calculation methods stated in this Administrative Plan.

If a family experiences a benefit reduction due to fraud or a sanction for noncompliance with requirements to participate in an economic self-sufficiency program, as verified by the welfare agency, the family's welfare assistance is treated as follows during the term of the reduction:

- The amount of assistance the family is actually receiving is counted.
- The amount by which the family's assistance has been reduced is also counted. This is called imputed welfare income

The PCDC will conduct an investigation to determine any possible program violation(s). However, the PCDC is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency.

If the family's rent income increases for any reason after the sanction is imposed, the amount of imputed welfare income is offset by the amount of additional income. (Whether the new income is earned or unearned, it takes the place of the imputed welfare income during the sanction period).

Income of Confined Family Members:

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer a member of the assisted household and the income of that person is not counted. The PCDC may decide that a family member who is permanently confined to a hospital or nursing facility is no longer a member of the assisted household, in which case it would remove the individual's name from the lease and not count his or her income. It is the family's responsibility to notify the PCDC, in writing, when the family member will be away from the unit for 30 days or more.

Alimony and Child Support:

PHA's must count alimony or child support amounts awarded as part of a divorce or separation agreement unless the PHA verifies that the payments are not being made.

If the amount of child support or alimony received is less than the amount awarded by the court, the PCDC must use the amount awarded by the court unless the family can verify that they are not receiving the full amount.

Lump Sum Payments:

When there is a delay in the start of periodic income, payment of the portion that has been delayed may be made in the form of a lump sum or perspective monthly amounts.

The lump sum or perspective amount must be included in annual income. (This rule does not apply to SSI or SS benefits)

Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses are excluded as income.

However, payment in lieu of earnings, such as unemployment, worker's compensation and severance pay are included. Any lump sum receipts that do not represent the delayed start of periodic payments, including lottery winnings that are received in a single lump sum, are excluded from annual income. They may, however, be counted as an asset, depending on when they are received and whether or not they are retained.

Lump sum payments caused by delays in processing periodic payments for unemployment or welfare assistance are included as income. However, any portion of the lump sum that is payment for a period prior to the family's participation in the housing choice voucher program would be counted as an asset instead of as annual income. A lump sum payment resulting from delayed benefit or other income may be treated in either of two ways:

1. The PCDC will calculate prospectively if the family reported the payment within 15 days.
2. The entire lump-sum payment will be added to the annual income at the time of the interim examination.

Payments in Lieu of Earnings:

This income category includes payments to individuals who are not working because they have lost their jobs or have been injured on the job. The category includes unemployment benefits, worker's compensation and severance pay.

Payments in lieu of earnings are included in annual income when they are received either in the form of periodic payments or as a lump sum that represents the delayed start of a periodic payment.

Payments in lieu of earnings are excluded from income if they are received as a one-time settlement payment (e.g., for a claim dispute or a permanent work-related injury).

Prospective Calculation Methodology:

If the payment is reported on a timely basis, the calculation will be done prospectively and will result in an interim examination and adjustment calculated as follows:

The entire lump-sum payment will be added to the annual income at the time of the interim examination.

The PCDC will determine the percent of the year remaining until the next annual re-examination as of the date of the interim examination (three months would be 25% of the year).

1. At the next annual re-examination, the PCDC will apply the percentage balance (75% in this example) to the lump sum and add it to the rest of the annual income.
2. The lump sum will be added in the same way for any interim, which occur prior to the next annual re-examination.

If amortizing the payment over one year will cause the family to pay more than 25% of the family's adjusted income (before the lump sum was added) for Total Tenant Payment, the PCDC and family may enter into a Repayment Agreement, with the approval of the Housing Administrator, for the balance of the amount over the 25% percent calculation. The beginning date for this Repayment Agreement will start as soon as the one-year is over.

Retroactive Calculation Methodology:

1. The PCDC will go back to the date the lump-sum payment was considered, as long as that date is not prior to program participation.
2. The PCDC will determine the amount of income for each examination period, including the lump sum, and recalculate the tenant rent for each examination period to determine the amount due the PCDC.

At the PCDC's option, the PCDC may enter into a Repayment Agreement with the family, or require that the entire amount be paid in full at this time.

The amount owed by the family is a collectible debt even if the family becomes unassisted.

Attorney Fees:

The family's attorney fees may be deducted from lump-sum payments when computing annual income when the attorney's efforts have recovered a lump-sum compensation for the wrongful reduction or denial of a periodic payment, and the recovery does not include an additional amount in full satisfaction of the attorney fees.

In these situations, the family does not actually recover the entire amount of the past due periodic payment because the family must pay the attorney fees.

This situation does not include those in which an amount is withheld from funds otherwise due the family to satisfy legitimate financial obligations unrelated to obtaining the income such as:

- Withholding from wages to pay child support, alimony or a judgment creditor.
- Garnishment for failure to pay child support, alimony or a judgment creditor.
- The situation does not include those where the family incurs attorney fees unrelated to asserting a right to a source of income or where no income results from the attorney's actions. These are the financial responsibility of the family and are not deducted in determining annual income.

Determining Income From Assets:

PHA's are required to include in the calculation of annual income any interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. 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 \$5000, annual income shall include the greater of the actual income derived from net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.

Assets include:

- Amounts in savings and checking accounts.
- Stocks, bonds, savings certificates, money market funds and other investment accounts.
- Equity in real property or other capital investments.
- The cash value of trusts that are available to the family.

- IRA, Keogh, and similar retirement savings accounts, deducting any penalties for withdrawal.
- Contributions to company retirement/pension funds.
- Assets, which although owned by more than one person, allow unrestricted access by the applicant/participant.
- Lump-sum receipts such as inheritances, capital gains, lottery winnings, cash from sale of assets, insurance settlements, Social Security and SSI lump-sum payments and other claims.
- Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
- Cash value of life insurance policies.
- Assets disposed of for less than fair market value during the two years preceding examination or reexamination.

Assets Disposed of for less than Fair Market Value:

Assets disposed of as a result of a divorce, separation, foreclosure, or bankruptcy is not considered assets disposed of for less than fair market value. Some of the types of assets that must be considered include cash, real property, stocks, bonds, and certificates of deposit. They must be counted if the household gave them away or sold them for less than the market value.

The PCDC's minimum threshold for counting assets disposed of for less than fair market value is \$100 dollars. If the total value of assets disposed of within a one-year period is less than \$250 dollars they will not be considered an asset.

Contributions to Retirement Funds:

While an individual is employed, count as an asset only amounts the family could withdraw from a company retirement or pension fund without retiring or terminating employment.

After retirement or termination of employment, count as an asset any amount the employee elects to receive as a lump sum from the company retirement/pension fund. Any balance that remains in the account and may be withdrawn by the family member at any time is counted as an asset.

Equity in Real Property:

Real property includes land or real estate owned by the applicant or participant household. Equity is the portion of the market value of the asset, which is owned by the applicant/participant (the amount which would be available to the household if the property were to be sold). It is equal to the market value less any mortgage or loans secured against the property (which must be paid off upon sale of the property).

Adjusted Income:

The annual income of the members of the family residing in or intending to reside in the dwelling unit, less the flowing mandatory deductions:

Dependent Allowance:

The family receives an allowance of \$480 for each family member who is 1) under 18 years of age, 2) a person with disabilities, or 3) a full-time student.

A household head, spouse, foster child, or live in aide may *never* be counted as a dependent.

A full-time student is one carrying a full time subject load (as defined by the institution) at an institution with a degree or certificate program.

Elderly or Disabled Household Allowance:

An elderly or disabled family is any family in which the head or spouse (or the sole member) is at least 62 years of age *or* a person with disabilities.

Each elderly or disabled family receives a \$400 household allowance. Because this is a "household allowance" each household receives only one allowance, even if both the head and the spouse are elderly.

Child Care Allowance:

Reasonable child care expenses for the care of children including foster children, age 12 and younger, may be deducted from annual income if all of the following are true:

- The care is necessary to enable a family member to be gainfully employed, actively seek work, or further his/her education (academic or vocational);
- The expense is not reimbursed by an agency or individual outside the household; and

- The expenses incurred to enable a family member to work do not exceed the amount earned.

The allowable deductions for childcare expenses are based on the following guidelines:

1. Childcare to Work: The maximum childcare expense allowed must be less than the amount earned by the person enabled to work. The “person enabled to work” will be the adult member of the household who earns the least amount of income from working.
2. Childcare for School: The number of hours claimed for childcare may not exceed the number of hours the family member is attending school (including one hour travel time to and from school).
3. Amount of Expense: The PCDC will survey the local care providers in the community as a guideline. If the hourly rate materially exceeds the guideline, the PCDC may calculate the allowance using the guideline survey from the community.

In the case of a child attending private school, only after-hours care can be counted as childcare expenses.

Disability Assistance Expense Allowance:

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.

This allowance is equal to the amount by which the cost of the care attendant or auxiliary apparatus exceeds three percent of gross annual family income. However, the allowance may not exceed the earned income received by the family member who is 18 years of age or older who is able to work because of such attendant care or auxiliary apparatus.

Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work.

Medical Expense Allowance:

Medical expenses which exceed three percent of a family’s annual income, including medical insurance premiums that are anticipated during the period for which annual income is computed, and that are not covered by insurance.

The medical expense deduction is only permitted for households in which the head or spouse, or sole member is at least 62 or disabled (elderly or disabled households).

If the household is eligible for a medical expense deduction, the medical expenses of all family members may be counted (e.g., the orthodontist expenses for a child's braces may be deducted if the household is an elderly or disabled household).

Medical expenses may include:

- Services of doctors and health care professionals.
- Services of health care facilities.
- Medical insurance premiums.
- Prescription/non-prescription medicines (prescribed by a physician).
- Transportation to treatment (cab fare, bus fare, mileage).
- Dental expenses, eyeglasses, hearing aids, batteries.
- Live-in or periodic medical assistance.

Monthly payments on accumulated medical bills (regular monthly payments on a bill that was previously incurred). The allowance may include only the amount expected to be paid in the coming 12 months.

(See Publication 502 for covered expenses.)

Minimum Rent and Minimum Family Contribution:

Minimum family contribution in the Housing Choice Voucher Program (HCVP) is \$50 dollars.

Exemptions to Minimum Rents:

The PCDC must grant an exemption from payment of minimum rent if the family is unable to pay minimum rent because of financial hardship. Financial hardship includes:

1. The family has lost eligibility for, or is awaiting an eligibility determination for, a Federal, State, or local assistance program. (Includes a non-citizen, lawfully admitted for permanent residence, family member who would be entitled to public benefits except for title IV of the Personal Responsibility and Work Opportunity Act of 1996).

2. The family would be evicted because it is unable to pay the minimum rent.
3. The income of the family has decreased due to changed circumstances, including:
 - Loss of employment
 - Death in the family
 - Other circumstances determined by the PCDC or by HUD

The financial hardship exemption only applies to the payment of minimum rent and not to other elements used to calculate the total tenant payment.

When a family requests a minimum rent hardship exemption, application of the minimum rent will be suspended beginning the month following the family's hardship request.

During the minimum rent suspension period the housing assistance payment will be increased accordingly.

The PCDC must promptly determine whether a qualifying hardship exists, and if so, whether such hardship is temporary or long term.

1. No qualifying financial hardship:

If the PCDC determines there is no hardship covered by the statute, a minimum rent is imposed retroactively to the time of suspension.

The family must pay any back rent on terms and conditions established by the responsible entity.

2. Temporary qualifying financial hardship:

If the PCDC determines a qualifying financial hardship is temporary, a minimum rent may not be imposed for a period of 90 days beginning the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the PCDC must reinstate the minimum rent retroactively to the beginning of the suspension.

The family must be offered a reasonable repayment agreement for any amount of back rent owed by the family.

3. Long term qualifying financial hardship:

If the PCDC determines a qualifying financial hardship is long term, the PCDC must exempt the family from the minimum rent requirements so long as such hardship continues.

Such exception shall apply from the beginning of the month following the family's request for a hardship exemption until the end of the qualifying financial hardship.

Retroactive Determination of Minimum Rent:

Minimum rent policies are retroactive to the effective date of October 21, 1998.

If a family has qualified for one of the mandatory exemptions since October 21, 1998, and was charged a minimum rent, the PCDC must make arrangements to reimburse the family the overpayment.

The PCDC may provide either cash refund of the overpayment or otherwise offset future rent payments in an equitable manner.

PCDC Procedures:

- The PCDC must revise operating procedures to carry out the minimum rent requirements.
- The PCDC must notify all families as soon as practicable of the right to request minimum rent hardship exemptions under the law.
- Notification must advise families that hardship exemptions are subject to applicable PCDC informal hearing procedures.
- The PCDC can request reasonable documentations of hardship.

B. AVERAGING INCOME

When annual income cannot be anticipated for a full twelve months, the PCDC may:

1. Average known sources of income that vary to compute an annual income, or
2. Annualize current income and conduct an interim re-examination if income changes.

If there are bonuses; commission; tips and/or overtime that the employer cannot anticipate for the next twelve months, income from the previous year may be analyzed

and used to determine the amount to anticipate when third party or check-stub verification is not available.

If by averaging, an estimate can be made for those families whose income fluctuates from month to month, this estimate will be used so that the housing payment will not change from month to month.

The method used depends on the regularity, source and type of income.

C. ZERO INCOME

Families who report zero income are required to complete a notarized affidavit or written certification every 90 days. All applicants and participants are encouraged to apply for benefits and will be referred to supportive service providers. PCDC will send out third party verifications to support the participant/applicant claim.

D. PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES [24 CFR 5.520]

Applicability:

Pro-ration of 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 participants on June 19, 1995, and that do not qualify for continued assistance must be offered prorated assistance. (See Chapter 12, "Re-examinations.") Applicants mixed families are entitled to prorated assistance. Families that become mixed after June 19, 1995 by addition of an ineligible member are entitled to prorated assistance.

Prorated Assistance Calculation:

For families that include both members who are citizens or have eligible immigration status and members who do not have eligible immigration status (or elect not to state that they have eligibility status), the amount of assistance is prorated, based on the percentage of household members who are citizens or documented eligible immigrants. To calculate prorated assistance, the PCDC must follow these steps:

1. Determine gross rent (rent to owner plus utilities) for the unit.
2. Determine the HAP amount, taking into consideration the income of all household members.
3. Determine the proration factor by dividing the number of eligible family members (citizens and those with eligible immigration status) by the total number of members in the household.

4. Multiply the HAP amount calculated in Step 2 by the proration factor calculated in Step 3 to determine the family's eligible subsidy portion or prorated HAP.
5. Subtract the prorated HAP (Step 4) from the gross rent (Step 1).

Example:

Proration of HAP: Family of Four
With One Ineligible Non-citizen

| | |
|------------------------------------|-------|
| Gross Rent: | \$550 |
| Payment Standard Amount | \$600 |
| TTP based on all household income: | \$250 |

HAP equals the lesser of:
Payment Standard less TTP ($\$600 - \$250 = \$350$) or
Gross Rent less TTP ($\$550 - \$250 = \$300$)
HAP = \$300

Proration Factor: 3 eligible members of 4 total members = $\frac{3}{4} = .75$
Prorated HAP: $\$300 \times .75 = \225

Calculate Family Share:

Gross Rent less Prorated HAP equals Family Share $\$550 - \$225 = \$325$

E. TENANT RENT

If the gross rent for the unit is at or below the payment standard, the family pays the highest of:

- 30% of monthly adjusted income
- 10% of monthly gross income
- minimum rent

If the gross rent for the unit is above the payment standard, the family pays the highest of:

- 30% of monthly adjusted income
- 10% of monthly gross income
- plus any amount over the payment standard
- minimum rent

F. RENT BURDEN
[24 CFR 982.508]

When a family initially receives assistance, the rent burden for that family cannot exceed 40% of the family's monthly adjusted income. This restriction also applies to families who move with continued assistance. If the program participant is unable to pay the difference in rent, the program participant may use a newly issued HCV to move.

G. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS
[24 CFR 982.153, 982.514, 982.517]

The utility allowance is intended to help defray the cost of utilities not included in the rent and is subtracted from TTP to establish the family's rent to the landlord. The allowances are based on actual rates and average consumption studies, not on a family's actual consumption. The PCDC will review the Utility Allowance Schedule on an annual basis and revise it if needed.

The approved utility allowance schedule is given to families at admission and moves. The utility allowance is based on the actual unit size selected.

Where the utility allowance exceeds the family's TTP, the PCDC will provide a Utility Reimbursement Payment for the family each month. The check will be made out directly to the tenant unless the tenant has agreed, in writing, to a payment to the utility company.

H. DEFINITION OF TEMPORARILY/PERMANENTLY ABSENT
[24 CFR 982.551]

The PCDC must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, the PCDC must count the income of the spouse or the head of the household if that person is temporarily absent.

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

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

Absence of Entire Family:

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

Families are required both to notify the PCDC before they move out of a unit and to give the PCDC information about any family absence from the unit. Families must notify the PCDC if they are going to be absent from the unit for more than 30 consecutive days.

If the entire family is absent from the assisted unit for more than 90 consecutive days, the unit will be considered to be vacated and the assistance will be terminated.

In order to determine if the family is absent from the unit, the PCDC may:

1. Write letters to the family at the unit.
2. Telephone the family at the unit.
3. Interview neighbors and owners.
4. Verify if utilities are in service.

A person with a disability may request an extension of time as an accommodation, provided that the extension does not go beyond the HUD-allowed 180 consecutive calendar days limit. The rental assistance will terminate if the absence exceeds 180 consecutive calendar days.

If the absence which resulted in termination of assistance was due to a person's disability, and the PCDC can verify that the person was unable to notify the PCDC in accordance with the family's responsibilities, and if funding is available, the PCDC may reinstate the family as an accommodation if requested by the family.

Absence of Any Member:

Any member of the household will be considered permanently absent if the family member is away from the unit for three consecutive months or 180 days in a 12 month period except as otherwise defined in this chapter.

Absence Due to Medical Reasons:

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, the PCDC will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 180 consecutive days, the family member will not be considered permanently absent.

Absence Due to Incarceration:

Any member of the household, other than the sole member, will be considered permanently absent if the family member is incarcerated for three consecutive months or 180 days in a twelve- month period. If the PCDC determines the reason for incarceration is for drug-related or violent criminal activity, termination of assistance may ensue.

Foster Care and Absences of Children:

If the family includes a child or children temporarily absent from the home due to placement in foster care, the PCDC 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 90 days from the date of removal of the child/children, the voucher size will be reduced and the family will be issued a new voucher.

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, the PCDC will treat that adult as a visitor for the first 30 days.

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

If the appropriate agency cannot confirm the guardianship status of the caretaker, the PCDC will review the status at 90day intervals.

If the court has not awarded custody or legal guardianship, but the action is in process, the PCDC will secure verification from the appropriate social services agency or the attorney as to the status.

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

The PCDC will transfer the HCV to the caretaker, in the absence of a court order, if the caretaker has been in the unit for more than 180 consecutive days and it is reasonable to expect that custody will be granted.

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

If a member of the household is subject to a court order/incarceration that restricts him/her from the home for more than 90 days, the person will be considered permanently absent.

If an adult family member leaves the household for any reason, the family must report the change in family composition to the PCDC within 15 days.

The family will be required to notify the PCDC in writing within 15 days when an adult family member moves out. The notice must contain a certification by the family as to whether the adult is temporarily or permanently absent. The family member will be determined permanently absent if verification is provided.

Time extensions will be granted as an accommodation, upon request by persons with a disability.

If an adult child goes into the military and leaves the household, they will be considered permanently absent.

Full time students who attend school away from the home will be treated in the following manner:

Adult family member who are or will be attending school away from home full or part time will not be considered members of the household. This does not apply to the head of household or spouse.

Prior to June 15, 2004, participants with adult family members attending school away from home full time are considered members of the household. The adult member will not be considered a member of the household if their full time student status changes and they do not return to reside in the assisted family household.

Visitors:

Any person not included on the HUD 50058 who has been in the unit more than 30 consecutive days, or a total of 90 days in a 12-month period, will be considered to be living in the unit as an unauthorized household member.

Absence of evidence of another address, as the visitor's principal place of residence, will be considered verification that the visitor is a family member.

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

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence. (Driver's License/California Identification/ Check Cashing card, etc.) Use of the unit address for non-visitors is prohibited.

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

Minors and college students who were part of the family but who now live away from home during the school year and are not considered members of the household may visit for up to 90 days per year without being considered a member of the household.

In a joint custody arrangement, if the minor is in the household less than 180 days per year, the minor will be considered to be an eligible visitor and not a family member.

The family must obtain prior written approval from the owner and PCDC to add any additional family members.

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

An interim re-examination will be conducted for any additions to the household.

Reporting Absences to the PCDC:

Reporting changes in household composition is both a HUD and a PCDC requirement.

If a family member leaves the household, the family must report this change to the PCDC, in writing, within 15 days of the change and certify as to whether the member is temporarily absent or permanently absent.

The PCDC will conduct an interim re-examination for changes, which affect the TTP, HAP & rental voucher bedroom size in accordance with the interim policy.

CHAPTER 7

VERIFICATION PROCEDURES [24 CFR Part 5, Subparts B, D, E and F; 982.207]

INTRODUCTION

HUD regulations require that the factors of eligibility and Total Tenant Payment be verified by the PCDC. Applicants and program participants must furnish proof of their statements whenever required by the PCDC, and the information they provide must be true and complete. The PCDC's verification requirements are designed to maintain program integrity. This chapter explains the PCDC's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and when there are changes in family members. The PCDC will ensure that proper authorization from the family is always obtained before making verification inquiries.

A. METHODS OF VERIFICATION AND TIME ALLOWED

HUD identifies the following levels in its hierarchy of verification:

1. Up-front income Verification (UIV)/ Enterprise Income Verification (EIV) System.
2. Third-Party Written Verification.
3. Third-Party Oral Verification.
4. Review of Documents.
5. Tenant Declaration/Certification.

The PCDC will allow 15 days for the return of third-party verifications, after that time period a second request will be made to obtain verification. After two attempts have been made the PCDC will utilize other acceptable methods of verification.

For applicants, verifications may not be more than 60 days old at the time of issuance of a Housing Choice Voucher Program (HCVP) rental voucher. For participants, they are valid for 120 days from date of receipt.

Up-Front Income Verification (UIV)/(EIV)

Upfront income verification is the verification of income, before or during reexaminations, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals.

Current UIV resources include:

- HUD's UIV System, which provides a single source for obtaining verification of wages, unemployment compensation, and social security benefits.
- Social Security (SS) and Supplemental Security Income (SSI) information accessed via a secure Internet facility Tenant Assessment Subsystem(TASS);
- State Wage Information Collection Agencies (SWICAs);
- State TANF systems;
- Credit Bureau Association (CBA) credit report;
- Internal Revenue Service (IRS) Tax Transcript (request with form 4506-T); and
- Private sector databases (e.g., The Work Number).

Third Party Written Verification

Third-party verification is used to verify information directly with the source. Third-party written verification forms will be sent and returned via the mail. The family will be required to sign an authorization for the information source to release the specified information.

Verifications received electronically directly from the source are considered third-party written verifications.

Third-party verification forms will not be hand carried by the family under any circumstances.

Third Party Oral Verification

Oral third-party verification will be used when written third-party verification is delayed or not possible. When third-party oral verification is used, PCDC staff will be required to complete a Certification of Document Viewed or Person Contacted form, noting with whom they spoke, the date of the conversation, and the facts provided. If oral third party verification is not available, the PCDC will compare the information to any documents provided by the family. If provided by telephone, the PCDC must originate the call.

Review of Documents

In the event that third-party written or oral verification is unavailable, or the information has not been verified by the third party within 30 days, the PCDC will document the file accordingly and utilize documents provided by the family as the last source.

All such documents, excluding U.S. Treasury Government checks, will be photocopied and retained in the applicant file. In cases where documents are viewed which cannot be photocopied, PCDC staff viewing the document(s) will complete a Certification of Document Viewed or Person Contacted form.

The PCDC will accept the following documents from the family provided that the document is such that tampering would be easily noted:

1. Original pay stubs.
2. Computer print-outs from the employer.
3. Letter from employer(s) which include detailed employment information, provided that the information is confirmed by telephone.
4. Other documents noted in this chapter as acceptable verification.

The PCDC will accept faxed documents from agencies and employers regarding participants and applicants.

The third-party verification will prevail. The PCDC will accept photocopies from families provided the information is verified with the agencies and employers.

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

The PCDC will not delay the processing of determining eligibility for a program participant beyond 60 days due to a third-party verification that has not been returned. The eligibility will be determined following the levels of verification hierarchy until proper verification is received.

Tenant Declaration/Certification

When verification cannot be obtained through a third-party verification or review of documents, families will be required to submit a **notarized affidavit** to certify income or expenses that she or he has reported.

The PCDC may make an exception for families who claim they cannot afford to pay the fee of a Public Notary due to their income status and accept a non-notarized Tenant Declaration/Certification in lieu.

B. RELEASE OF INFORMATION

Each family member 18 years of age or older must sign specific authorization forms when information is needed that is not covered by the form HUD 9886, Authorization for Release of Information/Privacy Act Notice.

Each member requested to consent to the PCDC Authorization for Release of Information/Privacy Act Notice will be provided with the appropriate forms for their review and signature.

Family's refusal to cooperate with the HUD and PCDC prescribed verification system will result in denial of admission or termination of assistance based on the family's failure to meet its obligation to supply any information requested by the PCDC or HUD.

Client Screening-Criminal History Background

Pursuant to HUD Federal regulations 24 CFR 982.202-982.553 requires that the PCDC conduct appropriate criminal history background inquiries on applicants and participants for subsidized housing. State Law (California Penal Code Section 11105.03, et seq.) has provided that housing authorities may conduct appropriate criminal history investigations to ascertain suitability for subsidized housing. To satisfy these mandates, arrests that resulted in conviction will be released to the PCDC. This information will be used to screen housing applicants and participants, allowing only eligible persons to qualify for subsidized housing. A background report with noted incidences of criminal activity may result in rescinding the issued voucher and/or application.

The PCDC will work in conjunction with the Pasadena Police Department in obtaining said report for all applicants. The PCDC will carefully review the report to determine if drug-related, criminal activity or violent criminal activity occurred within five years prior to the date when eligibility is being determined. The PCDC prohibits admission to the program if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. Upon receipt of the report, the PCDC will review the report and make the appropriate determination on the family's eligibility for rental assistance. Dissemination of the information contained in the report is considered a felony and the staff person(s) found to be in violation will be prosecuted.

C. COMPUTER MATCHING

The 1988 McKinney Act legislation authorized State wage record keepers to release to both HUD and local housing agencies, information pertaining to wages and unemployment compensation. How the PCDC accesses this information may vary. The

PCDC may be required to enter into an agreement with the appropriate State agencies so that the computer matching may be used to compare the name and social security number of applicants and participants with the records available in the information depository of the applicable agency.

Where allowed by HUD and/or other State or local agencies, computer matching will be done.

D. ITEMS TO BE VERIFIED

1. Income
2. Assets
3. Allowable deductions from income
4. Non-financial factors
5. "Preference" status based upon PCDC local preferences.
6. Familial/marital status when needed for head or spouse definition.

E. VERIFICATION OF INCOME

This section defines the methods the PCDC will use to verify various types of income.

Employment Income

Verification forms request the employer to specify the:

1. Dates of employment.
2. Termination of employment
3. Amount and frequency of pay.
4. Date of the last pay increase.
5. Likelihood of change of employment status and effective date of any known salary increase during the next 12 months.

6. Earnings year to date.
7. Estimated income from overtime, tips, or bonus pay expected during next 12 months.

Acceptable forms of verification include:

1. UIV/EIV provided by a centralized computer matching system.
2. Employment verification form completed by the employer.
3. Pay stubs for three consecutive months or earning statements, which indicate the employee's gross earnings, frequency of pay or year to date earnings.
4. W-2 forms plus income tax return forms.
5. Income tax returns provided by the family may be used for verifying self-employment income, or income from tips and other gratuities. Tenant Declaration/Certification form may be used if no other readily available source for verification exists.

Applicants and program participants may be requested to sign Form 8821 Tax Information Authorization from the Internal Revenue Service (IRS) for further verification of income.

In cases where there are questions about the validity of information provided by the family, the PCDC will require the most recent federal income tax statements.

Social Security, Pensions, Supplementary Security Income (SSI), Disability Income

Acceptable forms of verification include:

1. UIV/EIV verification provided by TASS.
2. Benefit verification form completed by agency providing the benefits.
3. Award or benefit notification letters prepared and signed by the providing agency.
4. Computer report electronically obtained or in hard copy.

Unemployment Compensation

Acceptable forms of verification include:

1. Verification form completed by the Employment Development Department (EDD).
2. Computer print-outs from unemployment office stating payment dates and amounts.
3. Payment stubs for three consecutive months.

Public Assistance Payments

Acceptable forms of verification include:

1. Verification form completed by the Department of Public Social Services (DPSS).
2. Written statement from DPSS indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next 12 months.
3. Computer-generated Notice of Action.

Alimony or Child Support Payments

Acceptable forms of verification include:

1. Third-party verification form completed by the agency enforcing the child support order and/or person paying the child support.
2. Copy of a separation or settlement agreement or a divorce decree stating amounts and types of support and payment schedules.
3. Copy of last three months of payment stubs from Court Trustee.
4. Family's completed Tenant Declaration/Certification form of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.
5. If payments are irregular, the family must provide either:
 - a. A copy of the separation or settlement agreement or a divorce decree stating the amount and type of support and payment schedules.

- b. A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement.
- c. A Tenant Declaration/Certification from the family indicating the amount(s) received.
- d. A copy of the last three months of Notice of Actions showing amounts received for child support.
- e. A written statement from an attorney certifying that a collection or enforcement action has been filed.
- f. Current Quarterly Report from District Attorneys Office.

Net Income from a Business

In order to verify the net income from a business, the PCDC may request IRS and financial documents from prior years and use this information if available to anticipate the net income for the next 12 months. If applicable, family must provide copy of any business license.

Acceptable forms of verification include:

1. IRS Form 1040, including:
 - a. Schedule C (Small Business)
 - b. Schedule E (Rental Property Income)
 - c. Schedule F (Farm Income)
2. If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense computed using straight-line depreciation rules.
3. Audited or un-audited financial statement(s) of the business.
4. Credit report or loan application.
5. Documents such as manifests, appointment books, casebooks, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.

6. Family's Tenant Declaration/Certification as to net income realized from the business during previous year and the anticipated income for following year.

7. Family must provide copy of State Board of Equalization documents.

Child Care Business

If an applicant/participant is operating a licensed day care business, income will be verified as with any other business.

If the applicant/participant is operating a "cash and carry" operation (which may or may not be licensed), the PCDC will require that the applicant/participant complete a form for each customer which indicates: name of person(s) whose child (children) is/are being cared for, telephone number, number of hours child is being cared for, method of payment (check/cash), amount paid, and signature of person. The applicant/participant must provide a copy of their child care license, if licensed.

If the family has filed a tax return, the family will be required to provide a copy to the PCDC.

If child care services were terminated, a third-party verification will be sent to the parent whose child was cared for.

Regular Gifts and Contributions

Regular gifts and contributions must be reported to the PCDC timely. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling qualify and must be reported. The family must furnish a Tenant Declaration/Certification, which contains the following information:

1. The name, address, and telephone number of the person(s) who provides the gifts/contributions.
2. The value of the gifts/contributions.
3. The regularity (dates) of the gifts/contributions.
4. The purpose of the gifts/contributions.

Zero Income Status

Families claiming to have zero income will be required to complete a Tenant Declaration/Certification stating they have no income sources and family expense form.

The PCDC will request third-party verifications from the following agencies for families claiming zero income status: EDD, In-Home Supportive Services, DPSS, and Social Security. The PCDC will encourage all zero income families to apply for benefits they may be entitled to receive.

The PCDC may request information from IRS.

The PCDC will conduct a review every 90 days for families claiming zero income. The basis for this determination is in accordance with the PCDC Administrative Plan, Chapter 6, Section C, which states in part: "Families who report zero income are required to complete a Tenant Declaration/Certification every 90 days."

Other Income Sources

Other income sources not mentioned above will be verified using the hierarchy of verification levels.

F. VERIFICATION OF ASSETS

Acceptable forms of verification include:

Financial Institution Accounts

Will be verified by:

1. Account statements, passbooks, certificates of deposit, or PCDC verification forms completed by the financial institution.
2. Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker's verification.
3. IRS Form 1099 from the financial institution provided that the PCDC must adjust the information to project earnings expected for the next 12 months.

Interest Income from Mortgages or Similar Arrangements

1. A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next 12 months. (A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown.)
2. Amortization schedule showing interest for the 12 months following the effective date of the certification or re-examination.

Net Rental Income from Property Owned by Family

1. IRS Form 1040 with Schedule E (Rental Income).
2. Copies of rent receipts for the past three months, leases, or other documentation of rent amounts.
3. Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.
4. Lessee's written statement verifying rent payments to the family and family's notarized affidavit as to net income realized.
5. Copy of grant deed and current property tax bill.

Family Assets

The PCDC will require the necessary information to determine the current cash value, (the net amount the family would receive if the asset were converted to cash).

1. Verification forms, letters, or documents from a financial institution or broker.
2. Most recent passbooks, checking and savings account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
3. Quotes from a stock broker or realty agent as to net amount family would receive if they liquidated securities or real estate.
4. Real estate tax statements if the approximate current market value can be deduced from assessment.
5. Financial statements for business assets.
6. Copies of closing documents showing the selling price and the distribution of the sales proceeds.
7. Appraisals of personal property held as an investment.
8. Family's Tenant Declaration/Certification describing assets or cash held at the family's home or in safe deposit boxes.

Assets Disposed of for Less than Fair Market Value (FMV)

Assets disposed of for less than FMV during 2 years preceding effective date of admission or re-examination. Third party verification will be obtained wherever possible:

1. For all admissions and re-examinations, the PCDC will obtain the family's notarized affidavit as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the admission or re-examination.
2. If the family certifies that they have disposed of assets for less than fair market value, verification is required that shows:
 - (a) all assets disposed of for less than FMV;
 - (b) the date they were disposed of;
 - (c) the amount the family received;
 - (d) the market value of the assets at the time of disposition;
 - (e) the bill of sale;
 - (f) escrow settlement statement;

G. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME

Dependent Deduction

By regulatory definition (24 CFR 5.603(b)), a dependent is family member other than the head or spouse (except foster children and foster adults) who is any of the following:

1. Under 18 years of age.
2. A person with a disability.
3. A full-time student who is 18 years of age or older.

Minor status may be verified with birth certificate and social security card showing:

- Name
- Sex
- Social security number
- Date of birth

- Relationship to head

Verification of full-time student status for family members 18 years of age or older includes:

1. Third-party verification form completed by the school registrar and financial aid office or other school official.
2. School records indicating that the enrolled family member is a full-time student as defined by the school or institution.

Elderly or Disabled Family Deduction

Elderly deduction is verified by providing one or more of the following:

1. Birth certificate.
2. Certificate of Naturalization.

The deduction for a disabled family is receiving disability benefits from the SSA may be verified:

1. PCDC Certification of Disability form completed by a qualified reliable, knowledgeable, professional.
2. Through HUD's TASS
3. Through the SSA by phone with the disabled family member on the line.
4. By viewing an original SSA notice provided by the disabled family member if third-party verification is not available.

Child Care Expense Deduction

1. Written verification from the person who receives the payments is required. If the child care provider is an individual, she/he must provide a statement of the amount they are charging the family for their services.
2. Verifications must specify the child care provider's name, address, telephone number, license number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.
3. Family's Tenant Declaration/Certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

4. Families must provide cancelled checks or receipts for three consecutive months or more to verify child care expenses.
5. Families may be required to submit most recent tax returns to verify child care expenses claimed. Child care expense will be disallowed if the amount is not reflected on the tax returns.

Medical Expense Deduction

Medical expenses claimed by the family which will not be reimbursed by an outside source will be verified by one or more of the methods listed below:

1. Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.
2. Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
3. Written confirmation from the Social Security Administration on the amount of Medicare premiums to be paid by the family over the next 12 months. A computer print-out will be accepted.
4. For attendant care:
 - a. A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes.
 - b. Attendant must complete the PCDC Care Attendant/Live-in Aide Certification form for hours of care provided and amount and frequency of payments received from the family or agency.
 - c. Copies of canceled checks the family used to make payments or pay stubs from the agency providing the services.
5. Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.
6. Copies of payment agreement(s) or most recent invoice(s) that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.

7. Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses.
 - a. PCDC may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, non-recurring expenses from the previous year.
 - b. The PCDC will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.
 - c. For additional allowable medical expenses, the PCDC will refer to IRS Publication No. 502 for further assistance.

Assistance to Persons with Disabilities

Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus.

1. In All Cases:
 - a. The PCDC Certification of Disability and Housing Needs form must be completed by a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.
 - b. Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.
2. Attendant Care:
 - a. Doctor's certification supporting the need of attendant care. Attendant's written certification of amount received from the family, frequency of receipt and hours of care provided.
 - b. Certification of family and attendant and/or copies of canceled checks that the family used to make payments.

c. Third party verifications from In-Home Supportive Services.

3. Auxiliary Apparatus:

- a. Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.
- b. In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.
- c. Doctor certification supporting the need of auxiliary apparatus.

H. VERIFYING NON FINANCIAL FACTORS

Verification of Legal Identity

In order to prevent program abuse, the PCDC will require applicants to furnish verification of legal identity for all family members.

The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

1. Certificate of Birth.
2. Certificate of Naturalization.
3. Church issued baptismal certificate.
4. Valid Driver's license or Identification Card from the Department of Motor Vehicles.
5. U.S. military discharge (DD Form 214).
6. U.S. passport.
7. Social Security Numi.
8. Company/agency Identification Card.
9. Hospital records.

10. US. census bureau record.

11. Tenant Declaration/Certification.

In addition to the documents listed above the following will be considered acceptable verification of legal identity for minor:

1. Adoption documents.
2. Custody agreement.
3. Health and Human Services ID.
4. School records.

If none of these documents can be provided, a third party who knows the person may, at the PCDC's discretion, provide verification. A Tenant Declaration/Certification is required.

Verification of Marital Status

Verification of marital status would be used to determine spouse for income and deduction and non-citizen purposes.

1. Verification of divorce status will be a certified copy of the divorce decree signed by a Court Officer.
2. Verification of a separation may be a copy of court-ordered maintenance or other records.
3. Marriage certificate.

Familial Relationships

Certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide additional verification. The following verifications will always be required if applicable:

1. Verification of relationship:
 - a. Official identification showing names;
 - b. Birth Certificates;
 - c. Baptismal certificate;

2. Verification of guardianship is:
 - a. Court-ordered assignment;
 - b. Notarized affidavit from parent;
 - c. Verification from social services agency;
 - d. School records.
3. Evidence of a stable family relationship:
 - a. Joint bank accounts or other shared financial transactions;
 - b. Leases or other evidence of prior cohabitation;
 - c. Credit reports showing relationship.

Verification of Permanent Absence of Adult Member

If an adult member who was formerly a member of the household is reported permanently absent by the family, the PCDC will consider any of the following as verification:

1. Husband or wife institutes divorce action.
2. Husband or wife institutes legal separation.
3. Order of protection/restraining order obtained by one family member against another.
4. Proof of another home address, such as utility bills, canceled checks for rent, rent receipts, driver's license, or lease or rental agreement, if available.
5. Statements from other agencies such as social services or a written or verbal statement from the landlord or manager that the adult family member is no longer living at that location.
6. If no other proof can be provided, the PCDC will accept a Tenant Declaration/Certification from the family.
7. Notarized statements from individual(s) who can verify residency or whereabouts of absent adult member.
8. If the adult family member is incarcerated, a document from the Court or

prison should be obtained stating how long they will be incarcerated.

Verification of Change in Family Composition

The PCDC may verify changes in family composition (either reported or unreported) through tenant declaration/certification letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school or DMV records, and other sources.

Verification of Disability

Verified by a knowledgeable professional source that the person meets the criteria, using the exact wording in the HUD definitions.

Receipt of Social Security Disability or Supplemental Security Income verifications will be used as a verification of disability as long as the appropriate disability code(s) are reflected. If such benefits are not received, the following can provide a basis for verification:

1. Letters regarding qualification for SSI payments
2. Proof of residence in an institution
3. Documents showing hospitalization for a disability
4. Letters from another knowledgeable professional, such as a health or service professional or a social worker

Verification of Reasonable Accommodation

The Certification of Disability and Housing Needs form will be mailed by the PCDC to the reliable, knowledgeable professional identified by the family on the reasonable accommodation request form.

Verification of Citizenship/Eligible Immigration Status

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by Immigration and Naturalization Service (INS). Each family member must declare their status. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while the PCDC hearing is pending. The primary verification of the immigration status of the person is conducted by the responsible entity through the INS automated system

(INS Systematic Alien Verification for Entitlements (SAVE). These are the following status:

1. Citizens or Nationals of the United States is required to sign a declaration under penalty of perjury. The PCDC will require citizens to provide documentation of citizenship.
2. Eligible Immigrants who were participants and 62 year old or older on September 30, 1996, are required to sign a declaration of eligible immigration status and provide proof of age.
3. Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are copied front and back and returned to the family. The PCDC verifies the status through the INS SAVE system. If this primary verification fails to verify status, the PCDC must request within ten days that the INS conduct a manual search.
4. Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.
5. Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of ineligible members.

Failure to Provide: If an applicant or participant family member fails to sign required declarations and consent forms or provide documents as required, they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

Time of Verification: For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination. For participants, it is done at the first regular re-examination after June 19, 1995. For family members added after other members have been verified, the verification occurs at the first re-examination after the new member moves in. Once verification has been completed for any covered program, it need not be repeated except that, in the case of port-in families, if the initial PHA does not supply the documents, the PCDC must conduct the determination.

Extensions of Time to Provide Documents:

The PCDC will grant an extension of 30 days for families to submit evidence of eligible immigrant status.

Acceptable Documents of U.S. Citizens/Nationals:

1. U.S. Passport.
2. Birth Certificate.
3. U.S. Certificate of Naturalization.

Acceptable Documents of Eligible Immigration: The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register.

1. Resident Alien Card (I-551).
2. Alien Registration Receipt Card (I-151).
3. Arrival-Departure Record (I-94).
4. Temporary Resident Card (I-688).
5. Employment Authorization Card (I-688B).
6. Receipt issued by the INS for issuance of replacement of any of the above documents that shows individual's entitlement has been verified.

A birth certificate is not acceptable verification of eligible immigration status. All documents in connection with U.S. citizenship/eligible immigration status must be maintained in the file.

If the PCDC determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside permanently in the family's unit, the family's assistance will be terminated for 24 months, unless the ineligible individual has already been considered in prorating the family's assistance.

Verification of Social Security Numbers

Social security numbers must be provided as a condition of eligibility for all family members. Verification of Social Security numbers will be done through a Social Security Card issued by the Social Security Administration. If a family member cannot produce a Social Security Card, only the documents listed below showing his or her Social Security Number may be used temporarily for verification. The family must apply for another social security card. The family is also required to certify in writing that the document(s) submitted in lieu of the Social Security Card information provided is/are complete and accurate:

1. A driver's license.
2. Identification card issued by a Federal, State or local agency.
3. Identification card issued by a medical insurance company or provider (including Medicare and Medicaid).
4. An identification card issued by an employer or trade union.
5. Employer Identification Number (EIN)
6. Earnings statements or payroll stubs.
7. Bank Records.
8. IRS Form 1099.
9. Benefit award letters from government agencies.
10. Retirement benefit letter.
11. Life insurance policies.
12. Court records such as real estate, tax notices, marriage and divorce, judgment or bankruptcy records.
13. Verification of benefits or Social Security Number from Social Security Administration.

New family members will be required to produce their Social Security Card or provide the substitute documentation described above together with their certification that the substitute information provided is complete and accurate. This information is to be provided at the time the change in family composition is reported to the PCDC. When there is a discrepancy with the social security number the family will required to provide documentation from the Social Security Administration to validate the social security number.

If an applicant or participant is able to disclose the Social Security Number but cannot meet the documentation requirements, the applicant or participant must sign a certification to that effect provided by the PCDC. The applicant/participant or family member will have an additional 60 days to provide proof of the Social Security Number. If they fail to provide this documentation, the family's assistance will be terminated.

In the case of an individual at least 62 years of age, the PCDC may grant an extension for an additional 60 days to a total of 120 days. If, at the end of this time, the elderly individual has not provided documentation, the family's assistance will be terminated.

Verification of Emancipated Youth

A copy of the court ordered emancipation.

I. WAITING LIST PREFERENCES [24 CFR 5.430, 982.207]

Local Preferences

1. Families who claim Involuntary Displacement due to:

a. Disaster or Government Action:

Written verification by the displacing unit or agency of government, or by a service agency such as the Red Cross.

b. Actions taken by the family's current property owner/agent:

Written notification by owner to family of the action/ written verification by the owner or agent or documents such as sales agreements, foreclosure notices or building permits.

c. Domestic Violence:

Written verification from police, social service agency, court, clergy person, physician, and/or public or private facility giving shelter and/or counseling to victims.

Verification must be obtained (from a owner or other source) that the abuser still resides at the unit.

The family must certify that the abuser will not return to the household without the advance written approval of the PCDC. Before giving approval, the PCDC will require verification of the following:

1. Written statement from social worker, psychologist, or other professional familiar with the abuser that he/she has received counseling/treatment and is unlikely to continue the abuse.
2. Written statement from local law enforcement agency that no complaints have been filed since the date of the preference approval.

3. Certification that the abuser has completed rehabilitation program.

d. Witness Protection Program:

Certification of participation by a law enforcement agency of participation in the Witness Protection Program.

Written recommendation from law enforcement agency or HUD.

e. Hate Crimes:

Written statement from law enforcement agency, HUD, Fair Housing or other agency responsible for non-discrimination advocacy. Statement should contain approximate number of occurrences and date of last occurrence.

f. Inaccessibility of Unit:

Statement from the owner of the critical elements that are inaccessible, and that the owner is not going to make the needed modifications, or permit the family to make the modifications.

Inspection by PCDC to verify inaccessibility of critical elements.
Statement from the owner of the building that the accommodations required will not be made.

If the owner permits the tenant to make the modifications, verification that the family cannot afford the expense.

g. HUD disposition of a project:

Written verification from HUD.

2. Living in Substandard Housing:

a. Families who claim to be living in a substandard housing unit must provide written verification from a reliable, knowledgeable professional.

b. Homeless families: Written verification by a public or private facility providing shelter, the police, or a social services agency certifying that the applicant lacks a fixed, regular, and adequate nighttime residence.

3. Residency Preference: For families, who live, work or attend school full-time in the jurisdiction of the PCDC.

In order to verify that an applicant is a resident, the PCDC will require a minimum of three of the following documents: rent receipts, leases, utility bills, employer or agency records, school records, driver licenses, voters registration records, credit reports, written statement from household with whom the family is residing. Along with the written statement from the household, the applicant must provide at least five pieces of mail.

For head of household and/or spouse who have been hired to work or working full-time in the jurisdiction of the PCDC, a statement from the employer will be required.

For head of household and/or spouse attending school full-time in Pasadena, a third-party verification completed by the school will be required to certify full-time student status.

4. Veteran's preference: This preference is available to current member of the U.S. Military Armed Forces, veterans, or surviving spouses of veterans. The PCDC will require U.S. government documents, which indicate that the applicant qualifies under the above definition.
5. PCDC Assisted Housing Preference: For families who lives in a PCDC assisted housing development. The owner, developer, or city official must provide written verification that the applicant is currently residing in a PCDC assisted housing project.

CHAPTER 8

ISSUANCE AND BRIEFINGS

INTRODUCTION

The PCDC's objectives are to assure that families selected to participate are successful in obtaining an acceptable housing unit, and that they have sufficient knowledge to derive maximum benefit from the program and to comply with program requirements. When families have been determined to be eligible, the PCDC will conduct a mandatory briefing to ensure that families know how the Housing Choice Voucher Program (HCVP) works. The briefing will provide a broad description of owner and family responsibilities, PCDC procedures, and how and where to lease a unit. The family will also receive a briefing packet which provides more detailed information about the program. This Chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for how changes in the family composition will be handled.

A. ISSUANCE OF HOUSING CHOICE VOUCHER (HCV) [24 CFR 982.302, 982.54(d)(2)]

When funding is available, the PCDC will issue HCV to applicants whose eligibility has been determined. The issuance of HCV must be within the dollar limitations set by the Consolidated Annual Contribution Contract (ACC) Budget Authority.

The number of HCV issued must ensure that the PCDC stays as close as possible to 100% lease-up. The PCDC performs a monthly calculation both electronically and manually to determine whether applications can be processed, the number of HCV that can be issued, and to what extent the PCDC can over-issue (issue more HCV than the budget allows).

The PCDC may over-issue HCV only to the extent necessary to meet leasing goals. HCVs which are over-issued maybe cancelled due to lack of funding. If the PCDC finds it is over-leased, it must adjust future issuance of HVC in order not to exceed the ACC budget limitations over the fiscal year.

B. BRIEFING TYPES AND REQUIRED ATTENDANCE [24 CFR 982.301]

Initial Applicant Briefing

A HUD-required briefing will be conducted for families who are determined to be eligible for assistance. The briefings will be conducted in either individual or group meetings.

Families who attend group briefings and still have the need for individual assistance will be assisted by a PCDC staff member.

Briefings will be conducted in English. However Non-English speaking families are encouraged to bring an interpreter for assistance.

The PCDC will not issue a HCV to a family unless they have attended a briefing and signed the HCV. Families who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Families who fail to attend two (2) scheduled briefings, without prior notification and approval of the PCDC will result in the disqualification of the application for rental assistance. Upon request, the PCDC may conduct individual briefings for families with disabilities at their home, if required for reasonable accommodation.

Briefing Packet

The documents and information provided in the briefing packets for the HCVP will comply with all HUD requirements. The PCDC also includes other information and/or materials which are not required by HUD.

The family is provided with the following information and materials:

1. The PCDC Statement of Policies, which provides guidance and information on the following matters:
 - Rental Assistance Program (RAP)
 - Rental Assistance Program Regulations
 - RAP Administrative Plan
 - Obligations of the Family
 - Disclosure of Information
 - Rental Certificate/Voucher Extension/Suspension
 - Annual Re-examination
 - Moves With Continued Assistance
 - Portability
 - Denial and Termination of Assistance
 - Informal Review and Informal Hearing
 - Termination of Housing Assistance Payments Contract
 - Repayment/Recovery of Outstanding Debt
2. The term of the voucher, and the PCDC policy for requesting extensions to the term of the voucher or suspensions of the voucher.
3. A description of the method used to calculate the assistance payment, information on Fair Market Rents, Payment Standards and Utility Allowances.

4. How the maximum allowable rent is determined including the rent reasonableness standard.
5. Guidance and materials to assist the family in selecting a unit, such as proximity to employment, public transportation, schools, shopping, and the accessibility of services. Guidance will also be provided to assist the family to evaluate the prospective unit, such as the condition, whether the rent is reasonable, average utility expense, energy efficiency, and security.
6. The boundaries of the geographical area in which the family may lease a unit including an explanation of portability.
7. The PCDC Model Lease and HUD Lease Addendum.
8. The Request For Tenancy Approval (RFTA) form, Inspection Checklist, and a description of the procedure for requesting approval for a unit.
9. The HUD brochure on how to select a unit and/or the HUD brochure "A Good Place to Live" on how to select a unit that complies with HQS.
10. The HUD brochure on Lead-Based Paint and information about where blood level testing is available and the Disclosure of Information on Lead-Based Paint and/or Lead Based Paint Hazards form.
11. Information on Federal, State and local equal opportunity laws including the pamphlet "Fair Housing: It's Your Right", other information about fair housing laws and guidelines, and the telephone numbers of the local fair housing agency and the HUD enforcement office.
12. The availability of PCDC listing of owners or other parties willing to lease to assisted families and/or known units available for the size rental voucher issued, if available.
13. If the family includes a person with disabilities, the PCDC will try to provide resources for locating accessible units and a list of available accessible units known to the PCDC.
14. The Obligations of the Rental Assistance Program Participant Family.
15. The grounds for denial and termination of assistance because of family action or failure to act.
16. Procedures for when and how to request an informal review and informal hearing.

17. Procedures for notifying the PCDC and/or HUD of program abuse such as side payments, extra charges, violations of tenant rights, and owner's failure to repair deficiencies in the assisted unit.
18. The family's rights as a tenant and a program participant.
19. Requirements for reporting changes between e- examinations.

Other Information to be Provided at the Briefing

The person conducting the briefing will also describe how the program works and the relationship between the family and the owner, the family and the PCDC, and the PCDC and the owner.

The briefing presentation emphasizes:

1. Family and owner responsibilities.
2. Where a family may lease a unit inside and outside its jurisdiction.
3. How portability works for families eligible to exercise portability.
4. Advantages to moving to areas with low concentration of poor families if family is living in a high poverty census tract in the PCDC's jurisdiction.
5. Exercising choice in residency through careful and through consideration of available units.
6. The Family Self Sufficiency program and its advantages.

If the family includes a person with disabilities, the PCDC will ensure compliance with CFR 8.6 to ensure effective communication.

Pre-Move Interview

A Pre-Move Interview will be held with participants who wish to move. The pre-move briefing will be held prior to the family giving notice to the owner and PCDC's issuance of a HCV to the family. Similarly, a pre-portability interview will be held for outgoing portable families. The pre-move/pre-port interviews are conducted to inform families of the move process and to minimize charges against security deposits. All participants who plan to move are required to notify the PCDC in writing 90 days in advance of the planned move date. Participants failing to attend a scheduled pre-move/pre-port interview will be denied issuance of a new HCV based on failure to provide required information.

Property Owners Briefing

Owners' Briefings are held for new participating owners and prospective owners who may wish to participate in the program. All attendees will receive an invitation. The purpose of the briefing is to assure successful owner participation in the program.

C. ENCOURAGING PARTICIPATION IN AREAS WITH LOW CONCENTRATION OF POVERTY

At the briefing, families are encouraged to search for housing in non-impacted areas.

The PCDC will follow the steps listed below in an attempt to establish a list of units in non-impacted areas:

1. Direct contact with owners.
2. Counseling with the family.
3. Providing information about services in various non-impacted areas.
4. Formal or informal discussions with owner groups.
5. Formal or informal discussions with social service agencies.
6. Meeting with rental referral companies or agencies.
7. Meeting with fair housing groups or agencies.

D. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION

Fair Housing Laws

The PCDC provides the family with information on Housing Discrimination, and the telephone number and location of the local Housing Rights Center, and directs the family to report suspected discrimination to HUD. If HUD Fair Housing makes a finding of discrimination against an owner, the PCDC will restrict the owner from future participation.

E. SECURITY DEPOSIT REQUIREMENTS [24 CFR 982.313]

Security deposits charged by owners may not exceed those charged to unassisted tenants or the maximum prescribed by State or local law.

For lease-in-place families, responsibility for first and last month's rent is not considered a security deposit issue. In these cases, the owner should settle the issue with the tenant prior to the beginning of assistance.

F. TERM OF HCV [24 CFR 982.303, 982.54(d)(11)]

During the briefing session, each family will be issued a HCV, which authorizes the family to search for housing and specifies the applicant's obligations under the program. It does not constitute admission to the program, which occurs when the lease and contract have been executed.

Initial Term

The initial term of the HCV must be at least 60 calendar days which will be indicated on the HCV.

Expirations

The HCV is valid for a period of 60 calendar days from the date of issuance. The applicant must submit a RFTA and proposed lease within the sixty-day period unless an extension has been granted by the PCDC.

Only one RFTA will be accepted at a time for a family and process by the PCDC.

If the HCV has expired for an applicant, and has not been extended by the PCDC or expires after an extension, the family's name will be removed from the waiting list. The family will not be entitled to an informal review.

If the HCV has expired for a participant, and has not been extended by the PCDC or expires after an extension, the family's participation under the HCVP terminates/ends. The PCDC will process an End of Participation. The participant will not be entitled to an informal hearing. If the family is currently assisted, they may remain as a participant in their unit if there is an assisted lease/contract in effect and the property owner wishes to continue the family tenancy.

For restrictions on moves with continued assistance, please refer to Chapter 13.

Suspensions

When a RFTA is received by the PCDC, the remaining time on the HCV is suspended. PCDC may grant a suspension for any part of the period after the family has submitted a request for approval of the tenancy up to the time when the PCDC approves or denies the request.

If the RFTA was rescinded because the tenant and property owner are related, suspension will be denied if the family/property owner failed to disclose this information.

Suspension will be denied if the property owner and HCV holder are residing in the same unit and the RFTA is rescinded.

Extensions

A family may request an extension of the HCV time period. Family must submit a log reflecting their attempt to locate a unit during the voucher term. All requests for extensions must be received no less than 15 days prior to the expiration date of the HCV.

Extensions are permissible at the discretion of the PCDC, up to 180 days from the date of issuance, primarily for these reasons:

1. The PCDC is satisfied that the family has made a reasonable effort to locate a unit throughout the initial and/or extensions of term.
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 and/or extension term. Family must submit documentation supporting the family circumstance which will be verified by the PCDC.
3. The family was prevented from finding a unit due to disability, accessibility requirements or for a larger size unit requirement of four or more bedrooms. The Search Record is part of the required verification.

NOTE: Reasonable effort is defined as "for every 3 days, the family must have contacted a property owner/management company/agent and/or viewed a rental property". For example, if the family had 60 days, then the family needs to have 20 properties listed on the request for an extension.

The PCDC may grant an additional 60 days over the 180 days as a reasonable accommodation for persons with a disability provided that the family has made a

reasonable effort to locate a unit throughout the initial and extensions of term. This extension would be considered a final extension.

In the event that the HCV size changes during the term of the HCV, the participant or applicant will not be issued a new HCV. The original term limits of the HCV will remain.

Resource Assistance to HCV Holders

Families who require additional assistance during their search may contact the PCDC to request a marketing list. HCV holders will be notified at their briefing session that the PCDC periodically updates the listing of available units and how the updated list may be obtained.

The PCDC will provide limited assistance to families in their negotiations with owners and provide other resources related to the families' search for housing.

Transfer of Housing Choice Voucher

The HCV is non-transferable if the head of household no longer requires rental assistance. The Head of Household is must to submit a written statement that they no longer require rental assistance to the PCDC and the HCV will be canceled.

In the event that the head of household has passed away or is permanently residing in a convalescent home, the HCV may be transferred to another family member that was originally listed on the application prior to the issuance of the HCV.

In the event that the original family members are minors, please refer to Chapter 6.

CHAPTER 9

REQUEST FOR TENANCY APPROVAL AND CONTRACT EXECUTION

INTRODUCTION [24 CFR 982.305 (a)]

After families are issued a Housing Choice Voucher (HCV), they may search for a unit anywhere within the jurisdiction of the PCDC or outside of the PCDC's jurisdiction if they qualify for portability. The family must find an eligible unit under the program rules, with an owner who is willing to enter into a Housing Assistance Payments (HAP) Contract with the PCDC. This Chapter defines the types of eligible housing, the PCDC's policies which pertain to initial inspections, lease requirements, owner disapproval and the processing of Request For Tenancy Approval (RFTA).

A. REQUEST FOR TENANCY APPROVAL [24 CFR 982.305 (b), 982.313]

The Request For Tenancy Approval (RFTA), Inspection Checklist, a copy of the proposed lease, including the HUD prescribed Tenancy Addendum, and the Lead-Based Paint Disclosure Information must be submitted by the family during the term of the HCV.

The RFTA must be signed by both the owner and HCV holder. The lease may be executed up to 60 days prior to the HAP Contract execution, but cannot be executed without approval of the PCDC.

The PCDC will not permit the family to submit more than one RFTA at a time.

The PCDC will review the documents to determine whether or not they are approvable.

The RFTA will be approved if:

1. The unit is an eligible type of housing.
2. The unit meets HUD's Housing Quality Standards (HQS), local housing codes and any additional criteria identified in this Administrative Plan.
3. The rent to owner is reasonable.
4. At the time a family initially receives tenant-based assistance for occupancy of a dwelling unit, and the gross rent of the unit exceeds the applicable payment standard for the family, the family share does not exceed 40% of the family's monthly adjusted income.

5. The security deposit amount is not in excess of private market practice or in excess of amounts charged by the owner to unassisted tenants.
6. The proposed lease complies with HUD and PCDC requirements and State and local law.
7. The owner is approvable and there are no conflicts of interest.
8. The owner has provided all requested ownership documents.

Disapproval of RFTA

If the PCDC determines that the RFTA cannot be approved for any reason, the owner and the family will be notified in writing. The PCDC will instruct the owner and family of the steps that are necessary to approve the RFTA.

When, for any reason, an RFTA is not approved, the PCDC will furnish another RFTA packet to the family, along with the notice of disapproval, so that the family can continue to search for eligible housing.

The time limit on the HCV will be suspended while the RFTA is being processed. See Chapter 8 regarding suspension of HCV.

B. ELIGIBLE TYPES OF HOUSING [24 CFR 982.352]

The PCDC will approve any of the following types of housing in the HCV Programs:

1. Structure Types:
 - a. Single Family Detached;
 - b. Row House or Townhouse;
 - c. Duplex or Two-Family Dwelling;
 - d. Multi-Family (low rise 2-4, high rise 5 or more).
2. Independent Group Residences.
3. Congregate Facilities (only the shelter rent is assisted).
4. Single Room Occupancy.
5. PCDC Owned Units (HUD-prescribed requirements).

The PCDC may not permit a HCV holder to lease a unit that is receiving project-based assistance or any duplicative rental subsidies.

The PCDC will not approve:

1. A unit occupied by the owner or by any person with an interest in the unit.
2. Nursing homes or other institutions that provide care.
3. School dormitories and institutional housing.
4. Any other types of housing prohibited by HUD.

C. LEASE REVIEW [24 CFR 982.308]

The PCDC will review the lease, particularly noting the approvability of optional charges and compliance with regulations and State/local law. The family must also have legal capacity to enter a lease under State and local law. Responsibility for utilities, appliances and optional services must correspond to those provided on the RFTA.

The form of lease used must be consistent with the form used in the locality by the owner for other unassisted tenants. The lease must include the HUD Tenancy Addendum. The PCDC may review the lease for compliance with State or local law.

The term of the lease shall be for one year. The PCDC may approve lease terms shorter than one year, if:

- * The shorter lease term is the prevailing local practice and;
- * The PCDC's approval of a shorter lease term will improve housing opportunities for families.

The PCDC will encourage owners to use the program model lease provided by the PCDC, which includes the HUD-mandated language. House rules of the owner may be attached to the lease as an addendum, provided they are approved by the PCDC to ensure they do not violate any HUD fair housing provisions.

Separate Agreements

Separate agreements are not necessarily illegal side agreements. Families and owners will be advised of the prohibition of illegal side payments for additional rent, or for items normally included in the rent of unassisted families, or for items not shown on the approved lease.

Owners and families may execute separate agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease, if the agreement is in writing and approved by the PCDC.

Any appliances, services or other items which are routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or are permanently installed in the unit, cannot be put under separate agreement and must be included in the lease. For there to be a separate agreement, the family must have the option of not utilizing the service, appliance or other item.

The PCDC is not liable for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction.

If the family and owner have come to a written agreement on the amount of allowable charges for a specific item, so long as those charges are reasonable and not a substitute for higher rent, they will be allowed.

All agreements for special items or services must be attached to the lease approved by the PCDC. If agreements are entered into at a later date, they must be approved by the PCDC and attached to the lease.

If the owner makes modifications to the unit, the costs should be recovered through the rent collected, not by having the family pay for the modifications. Exception will be considered if the modifications are such that they most likely would be removed if the family moved out or if the modifications are specifically to accommodate a family's disability.

D. INITIAL INSPECTIONS [24 CFR 982.305 (a) & (b), 982. 401]

See Chapter 10, "Housing Quality Standards and Inspections."

E. RENT LIMITATIONS [24 CFR 982.503]

The PCDC has been authorized by HUD to approve rents which are higher than the published Fair Market Rents. These rents are termed "area exception rents." Approval of any area exception rent is based on the census tract the unit is located in and remains subject to rent reasonableness. Additionally, at the time a family initially receives rental assistance or any time a participant family moves to a new unit with continued assistance, the rent burden of the family may not exceed 40% of the family's monthly adjusted income.

Area exception rents will be utilized to:

1. Expand housing opportunities for families to move from poverty-impacted areas.
2. Make accessible units available to persons with disabilities.
3. Increase the housing choices available to low-income families.

For the HCVP, the PCDC will make a determination as to the reasonableness of the proposed rent in relation to comparable units available for lease on the private unassisted market and the rent charged by the owner for a comparable assisted or unassisted unit in the building or premises.

F. INFORMATION TO OWNERS [24 CFR 982.307 (b), 982.54 (d)(7)]

The PCDC will provide prospective owners with the address of the applicant and the names, addresses and telephone numbers of the applicant's current and previous landlord, if known, provided that such request is received in writing.

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 owners that it is the responsibility of the owner to determine the suitability of prospective tenants. 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 not provide documented information regarding tenancy history to the prospective landlords.

The PCDC's policy on the Disclosure of Information to Owners is included in the briefing packet and will apply uniformly to all families and owners.

G. PCDC DISAPPROVAL OF OWNER [24 CFR 982.306]

For purposes of this section, "owner" includes a principal or other interested party.

The PCDC may disapprove the owner for the following reasons:

1. HUD or other agencies directly related have informed the PCDC that the owner has been disbarred, suspended or subject to a limited denial of participation under 24 CFR part 24.
2. HUD has informed the PCDC that the federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending.
3. HUD has informed the PCDC that a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.
4. The owner has violated obligations under a housing assistance payments

contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).

5. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
6. The owner has engaged in drug-related criminal activity or any violent criminal activity.
7. The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs or with applicable housing standards for units leased with project-based rental assistance or leased under any other federal housing program.
8. The owner has a history or practice of renting units that fail to meet State or local housing codes.
9. The owner has not paid State or local real estate taxes, fines or assessments.
10. The owner has not submitted the required property ownership information to the PCDC.
11. The owner has a history of refusing to evict families who disturb the peaceful enjoyment of the property; engage in drug related criminal activity or threaten the health or safety of other residents, managers, PCDC employees or the owner.
12. The PCDC will not approve a unit if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, or related by marriage, unless the PCDC determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities.
13. The owner has engaged in or threatened abusive or violent behavior towards PCDC personnel.

H. CHANGE IN TOTAL TENANT PAYMENT (TTP) PRIOR TO HAP CONTRACT EFFECTIVE DATE

When the family reports changes in factors that will affect the Total Tenant Payment (TTP) prior to the effective date of the HAP Contract, the information will be verified and the TTP will be recalculated. If verifications are more than 60 days old prior to the effective date of the HAP Contract, new verifications must be obtained by the PCDC.

I. HAP CONTRACT EXECUTION PROCESS [24 CFR 982.305(c)]

The PCDC prepares the HAP Contract for execution. The family and the owner will execute the lease agreement, and the owner and the PCDC will execute the HAP Contract. Copies of the documents will be furnished to the parties who signed the respective documents.

The PCDC schedules group briefings for new owners and any other owners who wish to attend, at least once a quarter.

The PCDC makes every effort to execute the HAP Contract before the commencement of the lease term. The HAP Contract may not be executed more than 60 days after commencement of the lease term and no payments will be made until the contract is executed.

The following PCDC representative(s), upon approval of the Chief Executive Officer, are authorized to execute a contract on behalf of the PCDC:

1. Housing Administrator
2. Housing Assistance Officer
3. Housing Specialist

Owners must provide the current address of their residence (not a Post Office Box). If families lease properties owned by relatives, the owner's current address will be compared to the subsidized unit's address.

Owners must provide a Taxpayer Identification Number or Social Security Number. Owners must also submit proof of ownership of the property by providing copies of a recorded property Grant Deed and current Property Tax Bill, as well as a copy of the Property Management Agreement if a management agent manages the property. The owner must provide a business or home telephone number as well.

The following property ownership information will be requested of each owner prior to the approval of the RFTA and execution of the HAP Contract:

- Request for Tenancy Approval (RFTA)
- PCDC Joint Inspection Checklist
- Proposed Lease Agreement
- Disclosure of Information on Lead-Base Paint
- Statement of Property Ownership
 - Part A - Declaration of Property Ownership
 - Part B - Property Management Information
 - Part C - Housing Assistance Payment Information
 - Part D - Notarized Agent Authorization
 - Part E - Section 8 Landlord Certification

- Request for Taxpayer Identification Number and Certification (W-9)
- Recorded Property Grant Deed
- Current Property Tax Bill
- Certificate of Occupancy
- Property Management Agreement, if applicable
- Partnership Agreement & Resolution for Signatory, if applicable
- Corporate Bylaws & Resolution for Signatory, if applicable
- Executed Lease (Model Lease or Property Owner's Lease with executed HUD Lease Addendum Basic Version Rental Voucher)

The PCDC will also verify property ownership by utilizing property detail reports from RealQuest.com. Reports can only be used to confirm property ownership if system has been updated with current property transfers. Updates to RealQuest.com occur approximately once a month.

J. CHANGE IN PROPERTY OWNERSHIP

A change in property ownership requires execution of a new HAP Contract or execution of an Assumption of Obligations and Benefits Agreement.

The PCDC will process a change of property ownership upon receipt of the requested documents listed below:

- Recorded Property Grant Deed
- Closing Escrow Documents
- Statement of Property Ownership (Parts A-E)
- Request for Taxpayer Identification Number and Certification (W-9)
- Property Management Agreement, if applicable
- Partnership Agreement & Resolution for Signatory, if applicable
- Corporate Bylaws & Resolution for Signatory, if applicable

CHAPTER 10

HOUSING QUALITY STANDARDS AND INSPECTIONS

INTRODUCTION

Housing Quality Standards (HQS) are the HUD minimum quality standards for tenant-based programs. HQS compliance is required both at initial occupancy and during the term of the lease. HQS applies to the building and premises, as well as the unit.

The minimum HQS may be enhanced by the PCDC, provided that by doing so the PCDC does not overly restrict the number of units available for lease under the Rental Assistance Program. The use of the term "HQS" in this Administrative Plan refers to the combination of both HUD and PCDC requirements. This Chapter describes the PCDC's procedures for performing HQS and other types of inspections and the standards for the timeliness of repairs. It also explains the responsibilities of the owner and family, and the consequences of non-compliance with HQS requirements for both families and owners.

A. GUIDELINES/TYPES OF INSPECTIONS [24 CFR 982.401(a), 982.405]

All units must meet:

BASIC HOUSING QUALITY STANDARDS (HQS)

UNIT MUST BE DECENT, SAFE AND SANITARY. THIS MEANS THE FOLLOWING:

1. Adequate space and security are required. The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Exterior doors and windows must have working locks. Interior doors and windows cannot require a key to exit the unit and/or have double keyed locks.
2. Sanitary requirements specify a private indoor toilet, hot and cold running water for the bathtub or shower and the fixed basin. Either a window that opens or other adequate exhaust ventilation is required for the bathroom.
3. Kitchens must have a sink with hot and cold running water, adequate space for food storage, preparation and serving, and disposal facilities for garbage. The stove and refrigerator must be fully operational and may be provided by owner or tenant.
4. The dwelling unit must not contain un-vented room heaters that burn gas, oil or kerosene. The PCDC does not allow the use of electric heaters.

5. At least two electrical outlets are required in each room. Living and sleeping rooms shall include at least one window and a ceiling or wall light in kitchen and bathroom. Each sleeping room must be at least 90 square feet with a closet. Portable closets will be acceptable.
6. The unit must be structurally sound with no severe defects. The entrance to the unit must not present a danger of tripping, and elevators must be in safe operating condition.
7. The interior must be free of all dangerous pollutants, such as carbon monoxide, sewer gas, fuel gas and dust.
8. There must be an approved safe water supply.
9. The owner must inform the tenant if the building was constructed prior to 1978. This will alert the tenant to the possibility of exposure to the hazards of lead-based paint poisoning.
10. Access to the unit must not be through any other private properties. In addition, the building must provide an alternate means of exit in case of fire. This includes provision of security bars with release mechanisms when installed in bedrooms without an exterior door.
11. The site and neighborhood must not be subject to serious adverse environmental conditions (i.e., flood, fire, disturbing noise, vermin or rodent infestation, sewage hazards and excess accumulation of trash).
12. The unit must be free of vermin and rodent infestation. Screens for windows must be provided to prevent entry of insects.
13. An operable working smoke detector must be installed in each bedroom/sleeping room.
14. The hot water heater must have a pressure relief valve with a drainpipe pointing downward and ending about six inches above the floor. Hot water heater must be securely strapped. It must also be located, equipped and installed in a safe manner.

Efforts will be made at all times to encourage owners to provide housing above HQS minimum standards.

All utilities must be in service when the unit is initially inspected and remain on during the term of the lease.

The dwelling unit must have an oven, and a stove or range, and a refrigerator of appropriate size for the family. All of the equipment must be in proper operating condition. Either the owner or the family may supply the equipment. A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.

There are five types of inspections the PCDC will perform:

1. Initial/Move-in: Conducted upon receipt of an approved RFTA.
 - a. Ownership documents submitted and approved.
 - b. Contract rent pre-negotiated.
2. Annual: Conducted within 12 months of the last annual inspection date.
3. Special/Complaint: Conducted upon request of owner, family, an agency or third party and PCDC staff. PCDC staff may periodically require special inspections to ensure participant's compliance with the HCVP Family Obligations. Emergency inspection which will take precedence over all other inspections.
4. Move-Out/Vacate: Conducted upon owner or family's request within 24 hours after the family has vacated the property.
5. Quality Control: Conducted for at least five percent of all units which have been inspected during the PCDC previous fiscal year.

B. ACCEPTABILITY CRITERIA AND EXCEPTIONS TO HQS [24CFR 982.401(a)]

The PCDC adheres to the acceptability criteria in the program regulations and HUD Inspection Booklet and local codes.

C. INSPECTIONS

Each unit must be inspected annually during the assisted tenancy to determine if the unit meets HQS. The inspection must be conducted within 12 months of the previous annual inspection.

HQS deficiencies which cause a unit to fail must be corrected by the owner unless it is a deficiency for which the family is responsible. The family is only responsible for breaches of HQS that are caused by:

1. Non-payment of utilities paid by the family.

2. Not providing or failing to maintain appliances not provided by the owner.
3. Damages to the unit or premises caused by the family or guest beyond normal wear and tear.

The family must allow the PCDC to inspect the unit at reasonable times and after reasonable notice [24 CFR 982.551 (d)].

The PCDC will conduct inspections Monday through Friday, between the hours of 9:00 a.m. and 3:00 p.m.

The PCDC will notify the family in writing at least five days prior to the inspection.

Generally all inspections will be conducted in the following manner:

The family will be mailed a notice of the scheduled date of the inspection, with a copy to the owner. The notice shall require the family to call the PCDC within three days to reschedule the inspection if the appointment is inconvenient. If the family does not call and the appointment is missed, the family and the owner will be mailed a notice informing them of the rescheduled inspection date. If the family fails to honor the second scheduled inspection appointment, a last and final inspection notice will be mailed to the family and the owner. Should the family fail to honor the last and final scheduled inspection, a notice of termination of rental assistance will be mailed to the family and owner.

In the case of an annual inspection, both the family and owner are notified of the date and time of the inspection appointment by mail. If the family is unable to be present, they must reschedule the appointment in advance so that the inspection is completed within 15 days. If, however, the family is not present for the initial inspection a notice shall be placed at the entry to the unit or in the family's mail box advising the family of the missed inspection and requesting the family re-schedule the inspection.

If the family does not contact the PCDC to re-schedule the inspection, or if the family misses two inspection appointments, the PCDC will consider the family to have violated the HCVP Family Obligations, and the assistance to the family will be terminated in accordance with the termination procedures in this Administrative Plan, Chapter 15, "Denial or Termination of Assistance."

Time Standards for Repairs

1. Emergency items which endanger the family's health or safety must be corrected within 24 hours of notification.
2. For non-emergency items, repairs must be made within 30 days.

3. For major repairs, the Housing Specialist may approve an extension beyond 30 days.

D. EMERGENCY REPAIR ITEMS [24 CFR 982.401 (a)]

The following items are considered of an emergency nature and must be corrected by the owner or family (whoever is responsible) within 24 hours of notice by the PCDC:

1. Lack of security for the unit.
2. Waterlogged ceiling in imminent danger of falling.
3. Major plumbing leaks or flooding.
4. Natural gas leak or fumes.
5. Electrical problem which could result in shock or fire.
6. The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body.
7. Utilities not in service.
8. No running hot water.
9. Broken glass where someone could be injured.
10. Obstacles which prevent or block the entrance or exit of the unit.
11. Lack of functioning toilet.
12. Sewer backups.

The PCDC may give a short extension, not more than 48 hours, whenever the responsible party cannot be notified or it is impossible to affect the repair within the initial 24-hour period.

In cases where there is leaking gas or potential of fire or other threat to public safety, and the responsible party cannot be notified or it is impossible to affect the repair, the proper authorities will be notified by the PCDC.

If the emergency repair items are not corrected in the time period required by the PCDC, and the owner is responsible, the housing assistance payment will be abated and the HAP Contract will be terminated.

If the emergency repair items are not corrected in the time period required by the PCDC, and it is an HQS breach which is a family obligation, the PCDC will terminate the assistance to the family and the owner's payment will not be abated for the breach of HQS.

E. CONSEQUENCES IF OWNER IS RESPONSIBLE (NON-EMERGENCY ITEMS)

When it has been determined that a unit on the program fails to meet HQS, and the owner is responsible for completing the necessary repairs in the time period specified by the PCDC, the housing assistance payment to the owner will be abated.

Abatement

A Notice of Abatement will be sent to the owner and family. The abatement will be effective the day after the failed inspection. The length of the abatement is 30 days.

The PCDC will inspect abated units within 24 hours or the next working day of the owner's or family's notification that the work has been completed.

If the owner makes repairs during the abatement period, payment will resume on the day the unit passes inspection.

When the PCDC has been informed that the repairs have been completed, the PCDC will notify the family or the owner of the re-inspection date.

No retroactive payments will be made to the owner for the period of time the HAP was abated and the unit did not comply with HQS.

Extensions In Lieu of Abatement

The PCDC will grant an extension in lieu of abatement in the following cases:

1. The owner has a good history of HQS compliance.
2. The failed items are minor in nature.
3. There is an unavoidable delay in completing repairs due to difficulties in obtaining parts or contracting for services.
4. The owner makes a good faith effort to make the repairs.
5. The repairs are expensive (such as exterior painting or roof repair) and the owner needs time to obtain the funds.
6. The repairs must be delayed due to climate conditions.

The PCDC may extend the time period up to an additional 30 days. However, if the repairs are not completed or substantially completed at the end of that time period, the HAP will be placed in abatement and/or terminated.

Termination of HAP Contract

If the owner is responsible for repairs and fails to correct all the deficiencies cited prior to the end of the abatement period, the HAP Contract will terminate 30 days from the abatement date.

If repairs are completed before the effective termination date, the termination may be rescinded by the PCDC if the tenant remains in the unit. Only one final HQS inspection will be conducted after the termination.

F. DETERMINATION OF RESPONSIBILITY [24 CFR 982.404]

Certain deficiencies are considered the responsibility of the family:

1. Family-paid utilities not in service.
2. Failure to provide or maintain family-supplied appliances.
3. Damages to the unit or premises caused by the family member or guest beyond normal wear and tear that result in a breach of HQS.
4. Poor housekeeping and/or excessive clutter.

The owner is responsible for all other HQS violations.

The owner 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 may evict for serious or repeated violation of the lease. The PCDC may terminate the family's assistance on that basis.

The owner is responsible for informing the PCDC in writing of any family-related deficiencies, and the PCDC will hold the family responsible for the correction of these deficiencies.

If the family is responsible but the owner carries out the repairs, the owner will be encouraged to bill the family for the cost of the repairs and the family's file will be noted.

G. CONSEQUENCES IF FAMILY IS RESPONSIBLE

If non-emergency violations of HQS are determined to be the responsibility of the family, the PCDC will require the family make any repairs or corrections. If the repairs or corrections are not made by the re-inspection date, the PCDC may terminate assistance to the family. Extensions in these cases must be approved by the Housing Specialist. The owner's HAP will not be abated for items that are the family's responsibility.

H. INITIAL HQS INSPECTION

The Initial HQS Inspection will be conducted to:

1. Determine if the unit and property meet the HQS defined by HUD and this Administrative Plan.
2. Document the current condition of the unit as a basis to evaluate whether the future condition of the unit exceeds normal wear and tear.
3. Document the information to be used for determination of rent-reasonableness.

The PCDC shall inspect the unit within five working days of receiving the complete RFTA package.

If the unit fails the initial HQS inspection, the owner will be mailed a re-inspection appointment letter. The owner and family are advised to contact the PCDC if repairs are done prior to the scheduled re-inspection date.

On an initial inspection, the owner will be given up to 10 days to correct the items noted as deficiencies. At the inspector's discretion the time period may be extended based on the cost and complexity of work to be done.

The owner will be allowed two re-inspections for repair work to be completed unless, good faith efforts to address all deficiencies have been demonstrated. In such cases, at the Inspector's discretion, additional re-inspections may be allowed.

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 RFTA will be rescinded.

I. ANNUAL HQS INSPECTION [24 CFR 982.405(a),

Each unit must be inspected annually during the assisted tenancy to determine if the unit meets HQS. The inspection must be conducted within 12 months of the previous annual inspection.

Both the owner and the family will be notified by mail of the inspection appointment at least five days prior to the inspection. The family is also notified that it is a family obligation to allow the PCDC to inspect the unit at a reasonable time and after reasonable notice. If the family is not present for the inspection, the inspection must be rescheduled within 15 days. If the family misses two inspection appointments, the PCDC will consider the family to have violated a Family Obligation and their assistance may be terminated in accordance with termination procedures in Chapter 15 of this Plan.

HQS deficiencies which cause the unit to fail must be corrected by the owner unless it is a deficiency for which the tenant is responsible. If the family is responsible for breach of HQS, they will be advised of their responsibility to correct.

Rent Increases

The HAP to owner is subject to change after the initial term of the lease upon 60 calendar days of written notice to the family and the PCDC before commencement of any change in rent. The Annual Review and Renewal of HAP Contract rent notice shall state both the new rental amount and the date from which the revised rent is payable. Only one rental increase is allowed annually during the family's extended term at the time of annual inspection and re-examination. The rent increase will be approved if it meets rent reasonableness.

Contract rent increases to owner will not be approved if the unit is in a failed condition.

J. SPECIAL/COMPLAINT INSPECTIONS

If at any time the family or owner notifies the PCDC that the unit does not meet HQS, the PCDC will conduct an inspection.

The PCDC may also conduct a special inspection based on information from third parties such as neighbors or public officials.

The PCDC will inspect only the items which 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.

Nuisance Abatement

The PCDC will work in collaboration with the City Prosecutor's Office, the Police Department, Neighborhood Connections (Safe Streets Now) and Code Enforcement to address nuisance activity throughout the City of Pasadena.

The aforementioned agencies form to create the City of Pasadena Nuisance Abatement Team. The Nuisance Abatement Team meets on a monthly basis to address nuisance activity, "problem properties", and develop strategies to address nuisance activity. Nuisance activity is defined as:

1. Unlawful Loitering
2. Narcotic Sale and Use
3. Domestic Abuse
4. Prostitution
5. Alcohol Abuse
6. Trash Accumulation
7. Gang Activity

Upon written receipt of a nuisance activity complaint from the City Prosecutor's Office, the Police Department, Neighborhood Connections or Code Enforcement, the PCDC will first identify if the property location in question involves a HCVP participant. If the property location involves a HCVP participant, the participant's file will be noted and information will be requested from the City Prosecutor's Office and the Police Department. The Housing Assistance Officer will obtain and review this information. If the information warrants, and depending on the severity of the nuisance activity, the family will either be brought in for counseling or their assistance will be proposed for termination.

In instances of written reports of nuisance activity, the Inspection Section will conduct a Special Inspection. This inspection will be done in accordance to Chapter 10 of this Administrative Plan.

If a HCVP participant is proposed for termination, they will be given the opportunity to request an informal hearing. The informal hearing will be conducted in accordance with Chapter 19 of this Administrative Plan.

K. QUALITY CONTROL INSPECTIONS

Quality Control inspections will be performed by the Housing Assistance Officer and/or Housing Specialist on five percent of the units inspected within the last 90 days for each fiscal year. 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.

CHAPTER 11

OWNER RENTS, RENT REASONABLENESS, AND PAYMENT STANDARDS [24 CFR 982.503, 982.504, 982.505]

INTRODUCTION

The Pasadena Community Development Commission (PCDC) is responsible to ensure rents charged by owners are reasonable based upon objective comparables in the rental market. When the PCDC has determined that the unit meets the minimum Housing Quality Standards (HQS), that the lease is approvable, and that the rent is reasonable, it will make timely payments to the owner and notify the owner of the procedures for rent adjustments in the Rental Assistance Programs (RAP). This Chapter explains the PCDC's procedures for determination of rent-reasonableness, payments to owners, adjustments to the payment standards and rent adjustments.

A. PAYMENT STANDARDS FOR THE HOUSING CHOICE VOUCHER PROGRAM [24 CFR 982.503]

The payment standard is initially set by the PCDC based on the Fair Market Rent (FMR) in effect at the time the consolidated Annual Contributions Contract (ACC) for the first increment of voucher funding is approved by HUD. The payment standard is used to determine the maximum subsidy which can be paid by the PCDC on behalf of the family.

If the unit rented by a family is located in an exception rent area, the PCDC will use the appropriate payment standard for the exception rent area.

B. ADJUSTMENTS TO PAYMENT STANDARDS [24 CFR 982.503]

Payment standards may be adjusted to increase housing assistance payments in order to keep families' rents affordable. The PCDC will not raise the payment standards so high that the number of families that can be assisted under available funding is substantially reduced. The PCDC will not raise payment standards if the need is solely to make "high end" units available to voucher holders.

The PCDC will review the payment standard annually to determine whether an adjustment should be made for some or all unit sizes. The payment standard will be reviewed according to HUD's requirements. The PCDC may set the payment standard between 90% and 110% of FMR. Additionally, upon the PCDC's request, HUD may approve a payment standard lower than 90% or higher than 110%. The PCDC may therefore have different payment standards for different parts of its jurisdiction.

The PCDC may use some or all of the following measures below in making its determination whether an adjustment should be made to the payment standards:

Assisted Families' Rent Burdens

The PCDC will review reports showing the percent of income used for rent by voucher families to determine the extent to which the rent burden is more than 40% of income.

Quality of Units Selected

The PCDC will review the quality of units selected by families before determining any change to the payment standard to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

Rent to Owner Increases

The PCDC may review a sample of the units to determine how often owners are increasing rents after the first year of the lease and the average percent of increase by bedroom size. The sample will be divided into units with and without the highest cost utility included.

A comparison will then be made to the applicable annual adjustment factor to determine whether the owner increases are excessive in relation to the published annual adjustment factor.

Rent Reasonableness Data Base/Average Contract Rents

The PCDC will compare the payment standards to average rents in its rent reasonableness database and to the average contract rents by unit size. The payment standards should not be less than 90% of these amounts.

Lowering of the Payment Standard

Statistical analysis may reveal the payment standard should be lowered, in which case the payment standard should not be less than 90% of the current FMR. If the FMR is lowered, the payment standard may not exceed the FMR except in those cases where families are held harmless until they move to a different dwelling unit or have a change in family composition, which would affect their voucher size.

Financial Feasibility

Before increasing the payment standard, the PCDC may review the budget and the project reserve to determine the impact projected subsidy increases would have on funding available for the program and number of families served.

For this purpose, the PCDC will compare the number of families who could be served under a higher payment standard with the number assisted under current payment standards.

File Documentation

A file will be retained by the PCDC for at least three years to document the analysis and findings to justify whether or not the payment standard was changed.

C. CALCULATION OF HOUSING ASSISTANCE PAYMENTS [24 CFR 982.505, 982.508]

The maximum subsidy for each family is determined by the payment standard for the voucher size issued to the family, less 30% of the family's monthly adjusted income.

(a) Use of payment standard. A payment standard is used to calculate the monthly housing assistance payment for a family. The payment standard is the maximum monthly subsidy payment.

(b) Amount of monthly housing assistance payment. The PCDC shall pay a monthly housing assistance payment on behalf of the family that is equal to the lower of:

- (1) The payment standard for the family minus the total tenant payment; or
- (2) The gross rent minus the total tenant payment.

(c) Payment standard for family.

(1) The payment standard for the family is lower of:

- (i) The payment standard amount for the family unit size; or
- (ii) The payment standard amount for the size of the dwelling unit rented by the family.

(2) If the PCDC has established a separate payment standard amount for a designated part of an FMR area in accordance with CFR 982.503 (including an exception payment standard amount) and the dwelling unit is located in such designated part, the PCDC must use the appropriate payment standard amount for such designated part to calculate the payment

standard for the family.

- (3) Decrease in payment standard amount during the HAP contract term. If the amount on the payment standard schedule is decreased during the term of the HAP contract, the lower payment standard amount generally must be used to calculate the monthly housing assistance payment for the family beginning at the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard amount.

MAXIMUM FAMILY SHARE AT INITIAL OCCUPANCY

At the time the family initially receives tenant-based assistance for occupancy of dwelling unit, whether it is a new admission or a move to a different unit, the family share may not exceed 40% of the family's monthly adjusted income. During the initial 12 months term of the lease the owner may not raise the rent.

D. PAYMENTS TO OWNERS [24 CFR 982.451]

Once the Housing Assistance Payments (HAP) contract is executed, the PCDC begins processing payments to the owner. A HAP Register will be used as a basis for monitoring the accuracy and timeliness of payments. Changes are made automatically as well as manually to the HAP Register for the following month. Checks are generally disbursed directly from the City of Pasadena's Finance Department to the owner the 1st and 17th of each month. In cases of demonstrated hardship, an exception may be made with the approval of the Housing & Community Development Administrator and/or the Housing Assistance Officer.

The PCDC will notify the city of Pasadena Finance Department in writing to place stop payment on checks that were not received by the owner/payee. After the Finance Department has verified that the check has not been cleared, a replacement check will then be mailed to the owner/payee.

When subsidies are paid late, owners may assess late fees against the PCDC where local practice provides for late fees. The PCDC is not obligated to pay any late payment penalty if HUD determines that late payment by the PCDC is due to factors beyond the PCDC's control.

E. RENT REASONABLENESS DETERMINATIONS [24 CFR 982.507]

Rent reasonableness determinations are made when:

1. Units are placed under HAP contract for the first time
2. Owners request annual or special contract rent adjustments
3. Owners request a rent increase.

The PCDC will determine and document on a case-by-case basis that the approved rent:

1. Does not exceed rents currently charged on new leases by the same owner for an equivalent assisted or unassisted unit in the same building or complex, and
2. Is reasonable in relation to rents currently charged by other owners for comparable units in the unassisted market.

At least two comparable units will be used for each rent determination, one of which must be from the first category above if possible. All comparables must be based on the rent that the unit would command if leased in the current market. Leased in the current market means that the unit has been leased within the last 30 days

The data for other unassisted units will be gathered from newspapers, realtors, professional associations, and inquiries of owners, market surveys and other available sources.

The market areas for rent reasonableness neighborhoods within the PCDC's jurisdiction. Subject units within a defined housing market area will be compared to similar units within the same area.

The following factor will be used for rent reasonableness documentation:

1. Location
2. Number of Bedrooms
3. Housing Condition/Quality
4. Amenities
5. Date Built
6. Unit Type
7. Housing Services

The PCDC maintains a data base on unassisted units for use by staff in making rent reasonableness determinations. The data is updated on an ongoing basis and purged when it is more than six months old.

CHAPTER 12

RE-EXAMINATIONS

INTRODUCTION

HUD requires the PCDC to re-examine the income and composition of all families at least annually. In addition, the PCDC is required to inspect the assisted unit, process requests for rent adjustments and review the utility allowance schedule. These activities must be coordinated to ensure that they are completed in accordance with the regulations. It is a HUD requirement that families report all changes in family composition, but the PCDC decides what other changes must be reported, and the procedures for reporting them. The head of household will be informed that the assisted unit address cannot be used as “mailing” address by persons who are not part of the household. This Chapter defines the PCDC's policy for conducting annual re-examinations and coordinating the four annual activities. It also explains the interim reporting requirements for families and the standards for timely reporting.

A. ANNUAL ACTIVITIES [24 CFR 982.401, 982.516, 982.517, & 982.519]

The PCDC generates a monthly computerized list of units under contract 120 days before the re-examinations are to take effect. This procedure allows the PCDC ample time to obtain all required verifications, review contract rent adjustments, conduct annual HQS inspections and provide reasonable advance notice to both the family and the owner of any changes in the tenant rent and housing assistance payment (HAP).

Annual activities for contracts that did not commence on the first of the month must be conducted no later than the first of the month in which the lease was effective.

Utility Allowance Schedule: See Chapter 6 in this Administrative Plan, “Factors Related to Total Tenant Payment Determination.”

Annual Inspections: See Chapter 10 in this Administrative Plan, “Housing Quality Standards and Inspections.”

Rent Adjustments: See Chapter 11 in this Administrative Plan, “Owner Rents, Rent Reasonableness and Payment Standards.”

B. ANNUAL RE-EXAMINATION [24 CFR 5.609 & 982.516]

The PCDC must conduct a re-examination of family income and family composition at least annually. The annual re-examination determines the continued eligibility of the family and establishes the HAP to be made on behalf of the family. Families are required to

report all household income and family composition timely and accurately as set forth in the PCDC's Family Obligations. Families will report this information by completing an Update of Family Circumstances form and providing supporting documents to verify income, assets, allowances, and family composition.

The PCDC must obtain and document in the family's case file, third party verification of the following factors:

- (i) Reported family annual income;
- (ii) Value of assets;
- (iii) Expenses related to deductions from annual income; and
- (iv) Other factors that affect the determination of adjusted income.

If third party verification is not contained in the family's case file, the PCDC must document why it was not available.

Annual re-examinations should be implemented as of the scheduled effective date even if other annual activities are not complete.

Families who intend to move may be issued a voucher, if eligible for continued rental assistance. See Chapter 13 in this Administrative Plan for the eligibility criteria to move.

When families move to another dwelling unit, an annual re-examination will be conducted and the anniversary date may change.

Income limits are not used as a test for continued eligibility at re-examination.

The PCDC will verify with the City of Pasadena's Finance Department whether families under a Repayment Agreement are current with their monthly payment. If the family is delinquent with the Repayment Agreement, the family may be proposed for termination of rental assistance from the program.

Re-examination Notice to the Family

The PCDC will notify the family by mail of the upcoming annual re-examination at least 120 days in advance of the anniversary date. The notification will include: date and time of the appointment, location of the appointment, family members required to attend and the information to submit prior to the scheduled appointment. Families who are not selected for an office appointment will be notified of the information they need to submit and deadline for submittal. The notice to the family also instructs the family to call the PCDC to request another appointment within 48 hours prior to the appointment, if there is a scheduling conflict. The PCDC will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities; however, a written request must be submitted to the PCDC by the head of household. The request must include the name, address and telephone number of the person appointed to receive the notification. This

accommodation will be granted upon verification that they meet the need presented by the disability.

Persons with disabilities who are unable to attend their office appointment will be granted an accommodation of conducting the interview either at the person's home or by telephone.

The PCDC will schedule an office appointment with family members who recently turned 18 years of age to explain their responsibility under the program, obtain signature on the Family Obligations, inquire about income circumstances, and obtain a copy of California Identification or Driver License.

Collection of Information

The PCDC will mail the Update of Family Circumstances form, Authorization for the Release of Information/Privacy Act Notice (Form HUD-9886) and PCDC Authorization for Release of Information, and Family Obligations with the annual re-examination notice to the family. The head of household will be required to complete the Update of Family Circumstances form, sign and have all family members 18 years and older sign Form HUD-9886 and the PCDC's Authorization for Release of Information. The completed forms and the information supporting the family's circumstances must be submitted to the PCDC by a given deadline prior to the scheduled interview appointment.

All adult family members must sign Form HUD-9886 and PCDC's Authorization for Release of Information at every annual re-examination as a condition for continued assistance.

Requirements to Attend

All adult household members will be required to attend the re-examination interview with the exception of full-time students who are away at school. If the head of household is unable to attend the interview, the appointment will be conducted with the adult family member(s) and an individual appointment will be rescheduled with the head of household.

Failure to Respond to Notification for Re-examination

The written notification informs the family that all adult members are required to attend the interview.

The PCDC will schedule a second and final interview appointment for families who fail to keep the scheduled appointment, called to reschedule, or make prior arrangements. The notice informs the family that failure to keep a second appointment or to call to reschedule is a violation of the Family Obligations and grounds for termination of rental assistance. The notification will be sent via "certified and regular mail."

If the family fails to keep the final appointment, and does not reschedule or make prior arrangements, the PCDC will propose the termination of assistance to the family. The family will be given proper notice of the proposed termination and informed of their right to request an informal hearing and deadline to submit the written request. The PCDC will also notify the owner in writing of the proposed termination of the Housing Assistance Payment (HAP) Contract.

Exceptions to these policies may be made by the PCDC, if the family is able to document an emergency situation that prevented them from canceling or attending the appointment.

Documents Required From the Family

In the notification letter to the family, the PCDC will include instructions for the family to submit the following information by a given deadline:

1. Current documentation of income sources for all family members.
2. Current documentation of disposed assets, the cash value of assets, and income derived from assets.
3. Current documentation of any deductions/allowances.
4. Completed Update of Family Circumstances form.
5. Completed, signed, and dated Form HUD-9886 and PCDC Authorization for Release of Information.
6. Notarized Affidavit from an adult family reporting zero income.
7. Completed Tenant Declaration Certification from adult family members no longer receiving Temporary Aid for Needy Families (TANF) due to the expiration of a lifetime or other time limit on welfare benefits and who are reporting zero income from other sources for themselves.
8. Signed Family Obligations by all adult family members.
9. Birth Certificate and Social Security card for new additions to the family due to birth and approved family members by the PCDC.
10. Copy of California Identification or Driver License for family members who turned 18 years old.
11. Completed, signed, and dated 214 Certification form for new additions to the family.
12. Copy of Permanent Resident card for family members whose legal status has been adjusted.
13. Documentation supporting continued disability status for families whose disability payments have been terminated by the Social Security Administration.
14. Completed Live-in Aide Certification, if applicable.
15. Copy of Marriage Certificate or Divorce Decree, if marital status has changed.
16. Other documentation as may be determined necessary by PCDC.

Verification of Information

The PCDC will follow the verification procedures and guidelines described in Chapter 7 in this Administrative Plan. Verifications obtained at re-examination must be dated within 120 days from the date received.

The PCDC will obtain third party verifications of the family's income, assets, allowances and any other factors that affect the determination of adjusted income, tenant rent, and HAP. The PCDC will follow the five levels of hierarchy of verification methods established by HUD. PCDC staff will properly document the family's case file where third party verifications are unavailable.

Moves with Continued Assistance

Families who express interest in moving with continued assistance, within or outside of the PCDC's jurisdiction, will be required to comply with the procedure established in Chapter 13 in this Administrative Plan.

Tenant Rent Increases

If the tenant rent increases, a 30 day notice will be mailed to the family prior to the anniversary date. Once the family has received the notification of the tenant rent increase, this amount may change as a result of additional information that may not have been available at the time of notification (i.e., 3rd party verifications). If less than 30 days are remaining before the anniversary date, the tenant rent increase will be effective on the first of the month following the 30 days notice. If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the re-examination processing, there will be a retroactive increase in rent to the anniversary date. The following are examples where the family waives the right to proper 30 days notice of tenant rent increase:

- Delay in returning the completed annual re-examination program forms and documentation supporting family circumstances by established deadlines.
- Violation of Family Obligations due to unreported and/or untimely reporting of changes in family circumstances.
- PCDC verifies that the family failed to disclose true, complete, and accurate information of family circumstances.
- Failure to keep two scheduled appointments.

Tenant Rent Decreases:

If the annual re-examination reveals that a decrease in family's income occurred prior to the PCDC's notification of the family's annual re-examination, the decrease in tenant rent will become effective at the family's anniversary date.

FAMILIES INELIGIBLE FOR CURRENT HCV SIZE:

Families whose HCV bedroom size has been downsized due to a change in family composition will be informed of the estimated tenant rent based on the new HCV bedroom size. The family will also be informed of the option to remain in the assisted unit paying a higher tenant rent or to move with continued assistance.

FAMILIES INELIGIBLE FOR CONTINUED RENTAL ASSISTANCE (24 CFR 982.455)

Families found ineligible for continued rental assistance due to the annual re-examination resulting in zero HAP will be informed in writing that their rental assistance will automatically terminate 180 calendar days after the last housing assistance payment to the owner. The family will be informed of their responsibility to report changes in family circumstances, within 15 days of the change, during the 180 days period.

C. REPORTING INTERIM CHANGES [24 CFR 982.516]

HUD requires program participants to report all changes in household composition to the PCDC between annual re-examinations. This includes additions due to birth, adoption and court-awarded custody. The family must obtain PCDC approval prior to all other additions to the household.

HUD requires for PHAs to process interim re-examinations when a family reports a reduction in income and prohibits processing an interim re-examination when the family reports a loss of welfare benefits due to fraud or failure to participate in self-sufficiency or work activity.

The PCDC requires participants to report changes in family composition, income, assets and allowances within 15 days of the change and submit supporting information on the change(s) that is/are being reported. To comply with this obligation, the family must report the change in family circumstances by completing an Update of Family Circumstances form or submitting written notification specifying the change(s) that is/are being reported.

The U.S. citizenship/eligible immigration status of additional family members must be declared and verified.

When a participant wishes to add additional members to the household, the PCDC will follow the procedure outlined below for members who are 18 years or older to determine whether or not to approve the new member as part of the family:

1. Conduct an interview with the proposed new family member.
2. Explain Form HUD-9886, PCDC Authorization for Release of Information, Things You Should Know, and obtain date and signature on all documents.
3. Collect vital statistics information.
4. Collect income and asset information.
5. Collect allowance information, if applicable.
6. Complete the Client Screening – Criminal History Background form.
7. Complete the 214 Certification form.

The family will be notified in writing of the PCDC's decision of their request to add the additional family member(s) to the household upon receipt of all supporting information. If the additional family member(s) is/are approved by the PCDC, the family will be informed that written approval from the owner is necessary prior to allowing the additional member(s) to move-in to the assisted unit.

The PCDC will follow the procedure established in Chapter 7 in this Administrative Plan, in cases where the participant requires a live in aide as reasonable accommodation.

Individuals subject to a lifetime registration requirement under a State sex offender registration program or individuals convicted due to the manufacture or production of methamphetamine on the premises of federally assisted housing will be denied admission to the program (CFR 982.553).

Increases in Income

The PCDC may conduct interim re-examinations when families have an increase in income. Families will be required to report all increases in income/assets of all household members to the PCDC in writing within 15 days of the increase.

Families who report increases in household income of more than \$50 dollars per month will be scheduled for an interim re-examination no later than 90 days from the date the increase is reported to the PCDC. The family's case file will be documented in cases where no interim re-examination is necessary because the increase in monthly income is less than \$50.00.

The PCDC will not process an interim re-examination for families reporting an increase in annual income from Social Security and Supplemental Security Income payments, if the

increase is due to the Cost of Living Adjustment (COLA). However, the PCDC will document the family's case file.

Decreases in Income

Participants may report a decrease in income and other changes, such as an increase in allowances which would reduce the amount of tenant rent. The PCDC must calculate the change if a decrease in income is reported.

Tenant Rent Decreases

The effective date of an interim re-examination will be the first of the following month after the family reports a decrease. However, if the family causes a delay by not submitting requested or required information, the effective date of the decrease will be on the first day of the month after the family submits the information.

Tenant Rent Increases

The family will be given proper notice of the increase in the tenant rent upon receipt of all supporting information.

PCDC Errors

If the PCDC makes a calculation error at admission to the program or at an annual re-examination, an interim re-examination will be conducted to correct the error. If there is an increase in the tenant's rent the family will not be charged retroactively. However, if the family has overpaid, an adjustment will be made retroactive to the date when the error occurred.

Other Interim Reporting Issues

An interim re-examination does not affect the date of the annual re-examination. An interim re-examination will be scheduled for families with zero or unstable income every 90 days. In addition, the PCDC will automatically mail third party verifications to the Department of Public Social Services, Employment Development Department, and In-Home Supportive Services for families who report zero income as a means of verifying the income status reported by the family.

If there is a change from public assistance income to employment income, the PCDC will defer the family's rent increase for three months in order to encourage families to move to self-sufficiency.

1. This incentive will only be provided once to any family.
2. This incentive is not provided to persons who work seasonally.

In the following circumstances, the PCDC may conduct the interim re-examination by mail:

1. Changes that will not result in a change in tenant rent or HCV size.
2. Changes in income that is normal for the family, such as seasonal employment.
3. As a reasonable accommodation when requested. (See Chapter 1 in this Administrative Plan, "Statement of Policies and Objectives").

Any changes reported by the family other than those listed in this section will be denoted in the file by staff but will not be processed between regularly scheduled annual re-examinations.

D. NOTIFICATION OF RESULTS OF RE-EXAMINATIONS

The PCDC will notify the family and the owner of the results of the annual re-examination by mailing the Notice of Annual Re-certification/Rent Change. This notice informs the family and the owner of the contract rent, tenant rent, HAP, effective date of the change, and the family's next annual re-examination. The notice also informs the family of their right to request an informal hearing if they disagree with the rent adjustment (See Chapter 18 in this Administrative Plan). The Form HUD-50058 reflecting the type and effective date of action will be completed and transmitted to the Multifamily Tenant Characteristics System (MTCS) as required by HUD.

An Amendment to Lease with new lease term is also mailed with the Notice of Annual Re-certification/Rent Change for family and owner signature. A new lease and HAP Contract will be executed when an owner and/or family requests a new lease, or if there are any changes in the lease requirements governing tenant or owner responsibilities for utilities or appliances.

E. TIMELY REPORTING OF CHANGES IN INCOME AND ASSETS

Standard for Timely Reporting of Changes

The PCDC requires that families report interim changes to the PCDC within 15 days of when the change occurs. Any information, document or signature needed from the family, which is needed to verify the change, must be provided within 15 days of the change.

An exception for the submission of the documents supporting the change will be made for TANF recipients who obtain employment. In such cases, families will have to submit the Notice of Action from the Department of Public Social Services within 15 days of receipt that shows the full adjustment for employment income.

If the change is not reported within the required time period, or if the family fails to provide documentation or signatures, it will be considered untimely reporting and may be subject to termination of assistance.

Procedures when the Change is Reported in a Timely Manner

The PCDC will notify the family and owner of any change in the housing assistance payment to be effective according to the following guidelines:

1. Increases in the Tenant Rent is effective on the first of the month following at least 30 days' notice.
2. Decreases in the Tenant Rent are effective the first of the month following that in which the change occurred. However, no rent reductions will be processed until all the facts have been verified, even if a retroactive adjustment results.

An interim re-examination may be processed based on documentation provided by the family when the change in family circumstances results in a decrease in tenant rent, and after two attempts were made to obtain third party written verifications. This decision is being made to avoid a hardship on the family. However, the case will be re-evaluated upon return of the third party written verification to make sure the tenant rent and HAP was accurately determined. The PCDC will revise the interim re-examination if the review reveals that the tenant rent and HAP was over/underestimated.

Procedures when the Change is not Reported by the Tenant in a Timely Manner

If the family does not report the change as described under Timely Reporting, the family will have caused an unreasonable delay in the interim re-examination processing and the following guidelines will apply:

1. Increase in Tenant Rent may be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be notified in writing of their forfeiture to an advance notice of rent increase due to their untimely reporting of changes in family circumstances. The family will also be informed of their right to request an informal hearing, in writing, if they disagree with the PCDC's decision. The family will be liable for any overpaid housing assistance payments and may be given an opportunity to enter in to a Repayment Agreement, depending on the family's history under the HCVP, or make a lump sum payment.
2. Decrease in Tenant Rent will be effective on the first of the month following completion of processing by the PCDC and not retroactively.

Procedures when the Change is not Processed by the PCDC in a Timely Manner

“Processed in a timely manner” means that the change in family circumstances was reported in writing by the family within 15 days of the change and information supporting the changes was submitted by the family.

In this case, an increase in the tenant rent will be effective after the required 30 days' notice prior to the first of the month after completion of processing by the PCDC.

If the change resulted in a decrease in the tenant rent, the overpayment by the family will be calculated retroactively to the date it should have been effective.

F. REPORTING OF CHANGES IN FAMILY COMPOSITION **[24 CFR 982.516 & 982.315]**

All changes in family composition must be reported within 15 days of the occurrence.

Increases in Family Size

Increases other than by birth, adoption or court-awarded custody must have the prior approval of the owner and the PCDC.

If the addition would result in overcrowding according to HQS maximum occupancy standards, the PCDC will not approve the addition other than birth, adoption or court-awarded custody.

1. The PCDC will review the case for the HCV bedroom size.
2. The PCDC may issue a larger HCV (if needed under the Occupancy Subsidy Standards) for additions to the family in the following cases:
 - a. Addition by marriage or marital-type relation.
 - b. Addition of a minor who is a member of the nuclear family who had been living elsewhere.
 - c. Addition of a PCDC approved live-in attendant.
 - d. Addition of any relation of the Head or Spouse.
 - e. Addition due to birth, adoption or court-awarded custody.

If a change due to birth, adoption, court-awarded custody, or need for a live-in attendant requires a larger size unit due to overcrowding, the change in the HCV shall be made effective immediately. The PCDC may determine whether to issue a larger HCV in this instance based on funding availability.

To remove a family member from the household, the family must follow the steps listed below:

1. Complete and submit the Update of Family Circumstances form to the PCDC within 15 days of the date of the change.
2. Submit a notarized Affidavit from the adult family member who will no longer be part of the assisted household. The statement must include the effective move date, forwarding address, and the telephone number. In addition, a copy of the Lease where the family member will be residing will need to be submitted. If not available, other documentation can be used as proof of the new residence must be submitted (i.e., utility bills, updated California Identification/Driver License, business correspondence, etc.).

An interim re-examination will not be processed if the family fails to submit the supporting information that proves that the family member has moved out of the assisted unit. The PCDC will determine the effective date of the interim upon submittal of the supporting information, but not retroactively.

Family Break-up

The PCDC has discretion to determine which members of an assisted family continue to receive assistance in the program if the family breaks up (i.e., divorce, legal separation or the division of the family). The PCDC will take into consideration the following factors when deciding who remains in the program if the family breaks up:

1. Which family members remain in the original assisted unit.
2. The interest of minor children, elderly or disabled family members.
3. Whether family members are forced to leave the unit as a result of or actual threatened physical violence against family members by a spouse or other member of the household.
4. Which family member was the head of household when the rental voucher was initially issued (refer to the HCV Application).
5. Recommendations of social service professionals.

Note: 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 PCDC is bound by the court's determination of which family members will continue to receive assistance in the program.

The family will be responsible for submitting documentation verifying the above factors. The PCDC may terminate assistance if the family fails to submit the required documentation to determine the family's continued eligibility.

The family will be informed of their option to move to another unit or continue residing in the assisted unit where the break up of the family results in a change of the bedroom size of the rental voucher.

Remaining Family Member

A remaining family member could be a spouse, head of household, co-head, adult family member, or a dependent as long as the assistance is continuous. Continuously assisted refers to families that are currently receiving assistance. It is the responsibility of the assisted family to select the new "head of household" from the approved remaining members.

The family will be required to inform the owner of the assisted unit about the change in head of household/family composition. The owner will decide if the change in head of household is acceptable. The head of household must notify the PCDC if the owner shall offer a new lease.

G. CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES **[24 CFR 5.504 & 5.518]**

Under the Restrictions on Assistance to Non-Citizens rule, "Mixed" families are families whose members include those with citizenship or eligible immigration status. Mixed families may receive continued housing assistance. Mixed families who qualify for continued assistance after November 29, 1996, shall receive prorated assistance. See Chapter 6 in this Administrative Plan, "Factors Related to Total Tenant Payment Determination."

CHAPTER 13

MOVES WITH CONTINUED ASSISTANCE/PORTABILITY

INTRODUCTION

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

A. ALLOWABLE MOVES [24 CFR 982.314, 982.552]

A family may move to a new unit if:

1. The assisted lease for the old unit has terminated because the PCDC has terminated the HAP contract for owner breach, or the lease was terminated by mutual agreement of the owner and the family.
2. The owner has given the family a notice to vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the family (unless assistance to the family will be terminated).
3. The family has given proper notice of lease termination (if the family has a right to terminate the lease on notice to owner, for owner breach or otherwise).
4. A member of the family is being relocated because they are a witness in connection with efforts to combat crime in public/assisted housing if requested by law enforcement.

B. RESTRICTIONS ON MOVES

Families will not be permitted to move within the PCDC's jurisdiction during the initial lease term of assisted occupancy.

Families will not be permitted to move outside the PCDC's jurisdiction under portability procedures during the first year of admission.

Families will not be permitted to move more than once in a 12-month period.

The PCDC may deny permission to move if:

1. There is insufficient funding for continued assistance.
2. The family has violated a Family Obligation.
3. The family owes the PCDC money.
4. The family has moved or been issued a voucher within the last twelve months.

The Housing Administrator or Housing Assistance Officer may make exceptions to these restrictions if there is an emergency reason for the move over which the participant has no control.

C. PROCEDURE FOR MOVES

Issuance of Voucher

If the family has not been re-examined within the last 120 days, the PCDC will issue the HCV to move after conducting the re-examination.

If the family does not locate a new unit, they may remain in the current unit so long as the owner permits.

The annual re-examination date will be changed to coincide with the new lease-up date.

Notice Requirements

Briefing sessions shall emphasize the family's responsibility to give the PCDC and the owner proper written notice of any intent to move.

The family must first provide the PCDC a 90 day written request to move. A move briefing shall be conducted within 30 days of the written request. Upon PCDC approval of the move the family must give the owner a 60 day written notice of intent to vacate as may be specified in the lease and must provide a copy of the notice to the PCDC simultaneously.

Time of HAP Contract Change

In a move, assistance stops at the old unit in accordance with the proper written notice to vacate. 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.

A move within the same building, or between buildings owned by the same owner, will be processed like any other move except that there will be no overlapping assistance.

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. See exhibit for outgoing/incoming deadlines.

E. OUTGOING PORTABILITY [24 CFR 982.353, 982.355]

When a family requests to move 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) 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:

1. Families will not be permitted to exercise portability during the initial 12 month period after admission to the program or lease-up in the PCDC's jurisdiction.
2. If the family is in violation of a family obligation and/or their lease agreement.
3. If the family owes money to the PCDC.

Outgoing Portability Procedures

Those families who express an interest in portability must provide the PCDC a written request for portability 90 days in advance of the planned move date. A mandatory portability interview will be conducted within 30 days of PCDC receipt of the request. Upon PCDC approval of portability, the family must give the owner a 60 day written notice of lease termination or the appropriate vacate notice as otherwise specified in the lease and must provide a copy of the notice to the PCDC simultaneously.

The PCDC will notify the receiving PHA that the family wishes to relocate into its jurisdiction. The PCDC will advise the family how to contact and request assistance from the receiving PHA. The PCDC will notify the receiving PHA that the family will be moving into its jurisdiction by completing a form HUD 52665.

The PCDC will provide the following documents and information to the receiving PHA:

1. A copy of the family's voucher, with issued and expiration dates, formally acknowledging the family's ability to move under portability.
2. The most recent form HUD 50058 (Family Report) and related verification information.
3. Declarations and verifications of U.S. citizenship/eligible immigration status and vital status.

The Receiving PHA must notify the PCDC within 60 days following the expiration date of the initial HCV:

1. When the portable family requests assistance from the receiving PHA, the receiving PHA must promptly inform the initial PHA whether the receiving PHA will bill the initial PHA for assistance on behalf of the portable family, or will absorb the family into its own program.

2. The receiving PHA must promptly notify the initial PHA if the family has leased an eligible unit under the program, or if the family fails to submit a request for approval of the tenancy for an eligible unit within the term of the voucher.

If PCDC does not receive notification from receiving PHA, the PCDC will cancel the HCV. The PCDC will send a form HUD 52665 to the receiving PHA.

Payment to the Receiving PHA

Payments for families in other jurisdictions will be made to other PHA's in accordance with HUD approved procedures for payment.

When billed, the PCDC will reimburse the receiving PHA for 100% of the housing assistance payment, and 80% of the Administrative Fee (at the PCDC's rate), and any other HUD-approved fees.

F. INCOMING PORTABILITY [24 CFR 982.355]

Absorption or Administration

The PCDC will accept a family with a valid HCV from another jurisdiction and administer or absorb the HCV. The family will be issued a HCV by the PCDC with the same effective dates. The initial PHA is responsible for granting extensions.

The PCDC may absorb vouchers if such absorption does not exceed 15% of households assisted.

When the PCDC, as the receiving PHA, does not absorb the incoming HCV, it will administer the initial PHA's HCV and the PCDC's policies will prevail. For admission to the HCVP, the family must be within the PCDC's Very-Low Income limits.

The PCDC will issue a HCV according to its own subsidy standards. If the family has a change in family composition, which would change the HCV size, the PCDC will change to the proper size based on its own subsidy standards.

The PCDC's policy on suspensions will apply. However, if an incoming family ultimately decides not to lease in the jurisdiction of the PCDC, but instead wishes to return to the Initial PHA or wishes to search in another jurisdiction, the PCDC will refer the family back to the Initial PHA.

The PCDC will send a letter to the Initial PHA to notify them of the PCDC decision to either absorb or bill for the assistance on behalf of the portable family.

Income and TTP of Incoming Portables

As receiving PHA, the PCDC will conduct a re-examination interview but only verify the information provided if the documents are missing or are over 120 days old, whichever is applicable, or there has been a change in the family's circumstances.

If the family's income exceeds the income limit of the PCDC, the family will not be denied assistance unless the family is an applicant (and over the Very-Low Income Limit).

If the family's income is such that a \$0 subsidy amount is determined prior to lease-up in the PCDC's jurisdiction, the PCDC will refuse to enter into a contract on behalf of the family at \$0 assistance. The family will be returned to the Initial PHA.

Request for Tenancy Approval

All incoming portability families will be required to attend a mandatory briefing session conducted by the PCDC.

When the family submits a Request for Tenancy Approval (RFTA), it will be processed using the PCDC's policies. If the family does not submit a RFTA and does not execute a lease, the PCDC will inform the Initial PHA within 30 days when the HCV has expired.

If the family leases up successfully, the PCDC will notify the initial PHA within 10 working days from the date a HAP contract is executed, and the billing process will commence.

If the PCDC denies assistance to the family, the PCDC will notify the initial PHA within 15 days and the family will be offered an informal review or informal hearing.

The PCDC will contact the initial PHA if the family wishes to move outside the PCDC's jurisdiction and return the portability packet under continued portability.

Terminations

The PCDC will notify the initial PHA in writing of any termination of assistance. If an informal hearing is required and requested by the family, the hearing will be conducted by the PCDC, using the regular hearing procedures included in this Administrative Plan.

If the PCDC determines that the portable family is over income, assistance is denied and the family's portability will be returned to the initial PHA.

Required Documents

As receiving PHA, the PCDC will require the following documents from the initial PHA:

1. A copy of the family's HCV, with issue and expiration dates, formally acknowledging the family's ability to move under portability.
2. The most recent form HUD 50058 and supporting verifications.
3. Declarations and verifications of U.S. citizenship/eligible immigration status.
4. A form HUD 52665.

Billing Procedures

As receiving PHA, the PCDC will bill the initial PHA every 30 days for housing assistance payments. The billing cycle for other amounts, including administrative fees will be monthly also unless requested otherwise by the initial PHA.

The PCDC will bill 100% of the housing assistance payment, and any other HUD-approved fees, for each portability voucher leased as of the first day of the month.

The PCDC will notify the initial PHA of changes in subsidy amounts and will expect the initial PHA to notify the PCDC of changes in the administrative fee amount to be billed.

G. Mobility

The PCDC may enter into an inter-jurisdictional agreement with other PHA's to assist portable families who relocate in other jurisdictions. The PCDC or the initial PHA determines eligibility and maintains the family's file. The receiving PHA will only conduct the HQS inspections in a timely manner, and bill the PCDC or the initial PHA for this service only. A copy of the inspection reports will be submitted with the invoice for payments. The fee for inspections will be negotiated by the two PHAs.

At the request of the participating PHA, the mobility agreement may allow for PCDC participants to lease in their jurisdiction while all inspections, eligibility determination, and file maintenance responsibilities remain with the PCDC.

CHAPTER 14

CONTRACT TERMINATIONS

INTRODUCTION

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

The term of the HAP contract is the same as the term of the lease. The HAP contract between the owner and the PCDC may be terminated by the PCDC, by the owner or the tenant terminating the lease.

No future subsidy payments on behalf of the family will be made by the PCDC to the owner after the month in which the contract is terminated. The owner must reimburse the PCDC for any subsidies paid by the PCDC for any period after the HAP contract termination date.

If the family continues to occupy the unit after the HAP contract is terminated, the family is responsible for the total amount of rent due to the owner. The owner will have no right to claim compensation from the PCDC.

The term of the lease and contract may be extended if mutually agreed upon where the owner and tenant initiated the termination of the lease. A written agreement must be submitted to the PCDC prior to the original termination date.

After a HAP contract termination, if the family meets the criteria for a move with continued assistance, the family may lease-up in another unit. The HAP contract for the new unit may begin during the month in which the family moved from the old unit.

A. TERMINATION BY THE FAMILY: MOVES [24 CFR 982.314 (c)(2)]

The lease stipulates that the family cannot move from the unit until after the first year of the lease. The notice period to the owner is determined by the lease. The notice may be 30 days in special conditions, but must be at least 60 days written notice (See Chapter 13).

B. TERMINATION BY THE OWNER: EVICTIONS [24 CFR 982.310]

If the owner wishes to evict the tenant and terminate the lease, the owner is required to use the procedures in the HUD regulations and State/local law. The owner must provide the PCDC with a copy of the eviction notice. The owner must provide the tenant a written notice and should specify the grounds for termination of tenancy, at or before the commencement of the eviction action. The notice may be included in, or may be combined with, any owner eviction notice to the tenant.

The owner eviction notice means a notice to vacate, or a complaint, or other initial pleading used under State or local law to commence an eviction action.

During the term of the lease, the owner may not terminate the tenancy except on the following grounds:

1. Serious violation (including but not limited to failure to pay rent or other amounts due under the lease) or repeated violation of the terms and conditions of the lease;
2. Violations of federal, State or local law related to occupancy of the unit;
3. Other good cause, including:
 - a. Criminal activity by the tenant, any member of the household, a guest or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents, or persons residing in the immediate vicinity of the premises.
 - b. Any drug-related criminal activity on or near the premises.
 - c. Tenant history of disturbance of neighbors, destruction of property, or behavior resulting in damage to the premises.
4. Other good cause, after the first year of the lease, also includes:
 - a. Business or economic reason for regaining possession;
 - b. The owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit; or
 - c. Tenant's refusal to accept offer of a new lease.

The eviction notice should specify the cause for the eviction. The PCDC requires that the owner specify the section of the lease that has been violated and cite some or all of the ways in which the tenant has violated that section as documentation for the PCDC termination of assistance.

Housing assistance payments are paid to the owner under the terms of the HAP contract. If the owner has begun eviction and the family continues to reside in the unit, the PCDC must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant.

The PCDC will continue housing assistance payments until the family moves or is evicted from the unit. If the action is finalized in court, the owner must provide the PCDC with the documentation within 15 days, including notice of the lockout date.

If the owner opts out for business or economic reasons or non-renewal of the lease, the tenant must be given 90 days written notice, with a copy to the PCDC. Such reasons include desire to sell the property, renovation of the unit, or desire to obtain a higher rent than the PCDC will approve. However, written notice is subject to current State and local law.

The PCDC must continue making housing assistance payments to the owner in accordance with the HAP contract as long as the tenant continues to occupy the unit and the HAP contract is not violated. By endorsing the monthly check from the PCDC, the owner certifies that the tenant is still in the unit and s/he is in compliance with the contract.

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

C. TERMINATION OF THE CONTRACT BY PCDC
[24 CFR 982.404 (a), 982.453, 982.454, 982.455]

The term of the HAP contract terminates when the lease terminates, when the PCDC terminates program assistance for the family, and when the owner has breached the HAP contract.

Any of the following actions will be considered a breach of contract by the owner:

1. The owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit to HQS standards, including any standards the PCDC has adopted in this policy.
2. The owner has violated any obligation under any other housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).
3. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

4. The owner has failed to comply with regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or the loan.
5. The owner has engaged in drug-related criminal activity.
6. The owner has committed any violent criminal activity.

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 owed by the family under the lease;
 - Breached an agreement with a PHA to pay amounts owed 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 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 30 days written notice of termination of the contract. The PCDC will terminate the HAP Contract on the last day of the month in which the following circumstances occur:

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

D. TERMINATION DUE TO INELIGIBLE IMMIGRATION STATUS **[24 CFR 5.514 & 5.500 – 5.528]**

Families who were participants on June 19, 1995, but are ineligible for continued assistance due to the ineligible immigration status of all members of the family, or because a "mixed" family chooses not to accept proration of assistance, are eligible for temporary deferral of termination of assistance if necessary to permit the family additional time for transition to affordable housing.

Deferrals may be granted for intervals not to exceed six months, up to an aggregate maximum of:

1. Three years for deferrals granted prior to 11/29/96, or
2. 18 months for deferrals granted after 11/29/96.

The family will be notified in writing at least 60 days in advance of the expiration of the deferral period that termination of assistance will not be deferred because:

1. Granting another deferral will result in an aggregate deferral period of longer than the statutory maximum (three years for deferrals granted before 11/29/96; 18 months for deferrals granted after 11/29/96), or
2. A determination has been made that other affordable housing is available.

E. TERMINATION DUE TO BREACH OF CONTRACT **[24 CFR 982.453]**

If the PCDC terminates the contract due to breach of contract the PCDC will provide the owner and family with at least 30 days written notice of termination of the contract.

- (a) Any of the following actions by the owner (including a principal or other

interested party) is a breach of the HAP contract by the owner.

- (1) If the owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit in accordance with the HQS.
 - (2) If the owner has violated any obligation under any other HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).
 - (3) If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
 - (4) If the owner has engaged in drug related criminal activity.
 - (5) If the owner has committed any violent criminal activity.
- (b) The PHA rights and remedies against the owner under the HAP contract include recovery of overpayments, abatement or other reduction of housing assistance payments, termination of housing assistance payments, and termination of the HAP contract.

Refer to Exhibit G for Termination procedures.

CHAPTER 15

DENIAL OR TERMINATION OF ASSISTANCE

INTRODUCTION

The PCDC may deny or terminate assistance for a family because of the family's action or failure to act. The PCDC will provide families with a written description of the Family Obligations under the program, the grounds under which the PCDC can deny or terminate assistance, and the PCDC's informal hearing and review procedures. This Chapter describes when the PCDC is required to deny or terminate assistance, and the PCDC's policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP Contract.

A. Form of Denial/Termination

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

1. Denying listing on the PCDC waiting list.
2. Denying or withdrawing a Voucher.
3. Refusing to enter into a HAP Contract or approve a lease.
4. Refusing to process or provide assistance under portability procedures.

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

1. Refusing to enter into a HAP Contract or approve a lease.
2. Terminating housing assistance payments under an outstanding HAP Contract.
3. Refusing to process or provide assistance under portability procedures.

Requirement to deny admission or terminate assistance [24CFR 982.552 (b), (2), (3), (4)]

The PCDC must deny assistance to applicants, and terminate assistance for participants:

1. For a family evicted from housing assisted under the program for serious violation of the lease.

2. If any member of the family fails to sign and submit required HUD or PCDC consent forms for obtaining information.
3. If no member of the family is a U.S. citizen or eligible immigrant.
4. If the family is under contract and 180 days have elapsed since the PCDC's last housing assistance payment was made.

Grounds for Denial or Termination of Assistance [24 CFR 982.552 (c), (1)]

The PCDC may at any time deny program assistance for an applicant, or terminate program assistance for a participant, for any of the following grounds:

1. The family violates any family obligation under the program as listed in 24 CFR 982.551.
2. Any member of the family has been evicted from federally assisted housing in the last five years.
3. If the PCDC has ever terminated assistance under the program for any member of the family.
4. If any member of the family has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program.
5. The family currently owes rent or other amounts to the PCDC or to another PHA in connection with Section 8 or public housing under the 1937 Act.
6. The family has not reimbursed any PHA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.
7. The family breaches an agreement with PCDC or another PHA to pay amounts owed to a PHA, or amounts paid to an owner by a PHA.
8. If the family has been engaged in criminal activity or alcohol abuse as described in 982.553.
9. The family has engaged in or threatened abusive or violent behavior toward PCDC personnel.

"Abusive or violent behavior towards PCDC personnel" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is

customarily used to insult or intimidate, may be cause for termination or denial.

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

Actual physical abuse or violence will always be cause for termination.

PHA denial or termination of assistance for family [24 CFR 982.552, (a), (2), (3) 982.553]

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

B. Obligations of the Rental Assistance Program Participant Family [24 CFR 982.551]

The term “promptly” when used with the Family Obligations always means “within fifteen (15) days.” Denial or termination of assistance is always optional except where this Plan or the regulations state otherwise.

1. The family must supply any information that the PCDC or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status (as provided by 24 CFR part 5). "Information" includes any requested certification, release or other documentation.
2. The family must supply any information requested by the PCDC or HUD for use in a regularly scheduled re-examination or interim re-examination of family income and composition in accordance with HUD requirements.
3. The family must disclose and verify social security numbers (as provided by 24 CFR) and must sign and submit consent forms for obtaining information in accordance with 24 CFR, part 5, subpart B.
4. Any information supplied by the family must be true and complete.
5. The family must cooperate in moving to another unit when the family has become too large or too small for the Rental Assistance Program unit they are living in.
6. The family must supply any information or certification requested by the PCDC to verify that the family is living in the unit, or relating to family absence from the unit, including any PCDC requested information or certification on the purposes of family absences. The family must cooperate with the PCDC for this purpose. The family must promptly notify the PCDC in writing when the family will be away from the unit

for 30 days or more, the family must include the reason for the extended absence in the letter. The PCDC will notify you in writing if we can continue to pay the housing assistance payment in your absence.

7. The family is responsible to pay the utility bills and supply the appliance(s) that the owner is not required to supply under the lease agreement.
8. The family must repay money owed to the PCDC. If a family owes an outstanding debt, the PCDC may arrange a repayment agreement depending on the reason and the amount. The family must repay the debt on time to remain eligible for rental assistance. The family cannot move from one unit to another until the debt is paid in full.
9. The family must report in writing all changes in household composition, income and assets within 15 days of the change.
10. The family is responsible for an HQS breach caused by the family as described in 982.404(b).
11. The family must allow the PCDC to inspect the unit at reasonable times and after reasonable notice. The PCDC will inspect the unit at least once a year.
12. The family must notify the PCDC and the owner before the family moves out of the unit or terminates the lease on notice to the owner. The family must provide the PCDC 90 days written advance request for approval, prior to serving the owner 60 days notice of lease termination, when the family plans to move out of the unit. If the family fails to notify the owner or the PCDC at least 60 days before the family moves, the family is not eligible for a new certificate, coupon or voucher.
13. The family must promptly give the PCDC a copy of any owner eviction notice. Cooperate by fully disclosing details that caused the eviction from the assisted rental property.
14. The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
15. The composition of the assisted family residing in the unit must be approved by the PCDC. The family must promptly inform the PCDC of the birth, adoption or court-awarded custody of a child. The family must request PCDC approval to add any other family member as an occupant of the unit, prior to moving the additional family member into the assisted unit. No other person [i.e., nobody but members of the assisted family] may reside in the unit.
16. The family must promptly notify the PCDC if any family member no longer resides in the unit.

17. If the PCDC has given approval, a foster child or a live-in aide may reside in the unit. If the family does not request approval or PCDC approval is denied, the family may not allow a foster child or live-in aide to reside with the assisted family.
18. 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 as a residence by members of the family. The family must receive permission from the owner, and the income must be reported to the PCDC within 15 days.
19. The family must not sublease or let the unit.
20. The family must not assign the lease or transfer the unit.
21. The family must not give the owner any unauthorized side payments or pay more rent than the PCDC has authorized. If an owner asks the family to pay extra rent, the family must send a written notice to their PCDC representative at once. This is an illegal activity and considered fraud under the Rental Assistance Program.
22. The family may not commit any serious or repeated violation of the lease (such as non-payment of rent or violent criminal or drug activity).
23. The family must not own or have any interest in the assisted unit, unless it is a mobile home.
24. The family must not damage the unit or surrounding property or allow any guest to damage the rental property.
25. The family must not violate the Rental Assistance Program Obligations of the Family.
26. The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the programs.
27. The members of the family may not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises (see 982.553).
28. The members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.
29. An assisted family, or members of the family, may not receive Section 8 tenant-based assistance while receiving another housing subsidy, for the same unit or for a

different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, State or local housing assistance program.

30. The family must not engage in any acts of violent behavior or threats of violent behavior against PCDC personnel.

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

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

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

HQS Breach

The inspector and/or the owner will determine if an HQS breach as identified in 24 CFR 982.404 (b) is the responsibility of the family. Families may be given extensions to correct HQS breaches by Housing Specialist or Housing Assistance Officer.

Lease Violations

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

If the owner notifies the family of termination of assistance for serious or repeated lease violations, and the family moves from the unit prior to the completion of court action, and the PCDC determines that the cause is a serious or repeated violation of the lease based on available evidence.

Notification of Eviction

If the family requests assistance to move and they did not notify the PCDC of an eviction within five days of receiving the Notice of Lease Termination, the move may be denied.

Proposed additions to the family may be denied for the following:

1. Persons who have been evicted from public housing.

2. Persons who have previously violated a family obligation listed in 24 CFR 982.551 of the HUD regulations.
3. Persons who have been part of a family whose assistance has been terminated under the Rental Certificate or Housing Choice Voucher program within the last five years.
4. Persons who commit drug-related criminal activity or violent criminal activity.
5. Persons who commit fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
6. Persons who currently owe rent or other amounts to the PCDC or to another PHA in connection with a rental assistance program or public housing assistance under the 1937 Act and have not entered into a Repayment Agreement which is not in default.
7. Persons who have engaged in or threatened abusive or violent behavior toward PCDC personnel.
8. Persons who have been required to register as lifetime sex offenders.

Family Member Moves Out

Families are required to notify the PCDC in writing within 15 days if any family member leaves the assisted household. When the family notifies the PCDC, they must furnish the following information:

1. The date the family member moved out.
2. The new address, if known, of the family member.
3. A statement as to whether the family member is temporarily or permanently absent.
4. Documentation verifying new residence.

Limitation on Profit-making Activity in Unit

If the family engages in legal profit making activities in the unit the family must first obtain written approval from the owner.

If the business activity area results in the inability of the family to use any of the critical living areas, such as a bedroom utilized for a business, which is not available for sleeping, it will be considered a violation and may be grounds for termination.

The family must report in writing to the PCDC any income generated from the legal profit making activities in the unit within 15 days.

Interest in Unit

The owner may not reside in the assisted unit regardless of whether they are a member of the assisted family, unless the family owns the mobile home and rents the space under the HCV Program.

Fraud

For PCDC purposes fraud is defined as the following:

A deception deliberately practiced in order to secure unfair or unlawful gain.

In each case, the PCDC will consider which family members were involved, the circumstances, and any hardship that might be caused to innocent members.

In the event of false legal immigration status claims, the PCDC will give the family member the opportunity to elect not to contend their status in lieu of termination of the entire family.

24 CFR 982.552 (b), (4) PHA Denial or Termination of Assistance to Family

The family must submit required evidence of citizenship or eligible immigration status. See part 5 of 24 CFR for a statement of circumstances in which the PCDC must deny admission or terminate program assistance because a family member does not establish citizenship or eligible immigration status, and the applicable informal hearing procedures.

Drug Related and Violent Criminal Activity

Drug-related criminal activity is the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use a controlled substance.

Drug-related criminal activity means on or off the premises not just on or near the premises.

Violent criminal activity includes any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property, and any family member is engaging in the activity.

Denial of Admission and Termination of Assistance for Criminals and Alcohol Abusers 24 CFR 982.553 (i), (A), (B) and (4), (c), (3)

The PCDC must prohibit admission to the program of an applicant for three years from the date of eviction if a household member has been evicted from federally assisted housing for drug-related criminal activity. However, the PCDC may admit the household if the PCDC determines:

- A. That the evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program.
- B. That the circumstances leading to the eviction no longer exist (for example, the criminal household member has died or is imprisoned.)

Applicants will be denied assistance if they have been convicted or evicted from a unit due to violent criminal activity within the last five years prior to the date of the certification interview.

Prohibiting admission of alcohol abusers. The PCDC must establish standards that prohibit admission to the program

Participants may be terminated who have been evicted from a unit, arrested and or convicted due to drug-related, or violent criminal activity and whose activities interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

The PCDC must immediately terminate assistance for a family under the program if the PCDC determines that any member of the household has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.

If the family violates the lease for drug-related or violent criminal activity, the PCDC will terminate assistance.

The PCDC will deny or terminate assistance if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program.

In appropriate cases, the PCDC may permit the family to continue receiving assistance provided that family members determined to have engaged in the illegal activities will not reside in the unit. If the violating member is a minor, the PCDC may consider individual circumstances.

Confidentiality of Criminal Records

The PCDC will ensure that criminal records received are maintained confidentially, not misused or improperly disseminated.

Evidence of Criminal Activity

The PCDC may terminate assistance for criminal activity by a household member as authorized in 24 CFR 982.553 if the PCDC determines, based on a preponderance of the evidence, that the household member has engaged in the activity, regardless of whether the household member has been arrested or convicted for such activity.

Use of Criminal Record 24 CFR 982.553 (d), (1), (2)

If the PCDC proposes to deny admission for criminal activity as shown by a criminal record, the PCDC must provide the subject of the record and the applicant with a copy of the criminal record. The PCDC must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with 24 982.554.

If the PCDC proposes to terminate assistance for criminal activity as shown by a criminal record, the PCDC 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 PCDC must give the family an opportunity to dispute the accuracy and relevance of that record in accordance with 24 982.555.

Required Evidence 24 CFR 982.553

1. Preponderance of evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred.
2. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

3. Credible evidence may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants.
4. The PCDC will pursue fact-finding efforts as needed to obtain credible evidence.

Notice of Termination of Assistance 24CFR 982.555 (c), (2), (i), (ii), (iii)

In any case where the PCDC decides to terminate assistance to the family, the PCDC must give the family written notice which:

1. Contain a brief statement of reasons for the decision.
2. Contain the effective date of the proposed termination.
3. State that if the family does not agree with the decision, the family may request an informal hearing on the decision.
4. State the deadline for the family to request an informal hearing.

The PCDC will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the termination of assistance. The notice to the owner will not include any details regarding the reason for termination of assistance.

C. Procedures for Non-Citizens [24 CFR (5.514, 5.516, 5.18)]

Delay, Denial, Reduction or Termination of Assistance.

Assistance to an applicant or tenant shall not be delayed, denied, reduced, or terminated, on the basis of ineligible immigration status of a family member if;

- i. The primary and secondary verification of any immigration documents that were timely submitted has not been completed;
- ii. The family member for whom required evidence has not been submitted has moved from the assisted dwelling unit;
- iii. The family member who is determined not to be in an eligible immigration status following INS verification has moved from the assisted dwelling unit;
- iv. The INS appeals process under 24 CFR 5.514(e) has not been concluded;
- v. Assistance is prorated in accordance with 24 CFR 5.520; or
- vi. Assistance for a mixed family is continued in accordance with 24 CFR 5.516 and 5.518; or
- vii. Deferral of termination of assistance is granted in accordance with 24 CFR 5.16 and 5.518

Participant families in which all members are neither U.S. citizens nor eligible immigrants must have their assistance terminated. They must be given an opportunity for an informal review.

Timeframe for Submission of Required Documents

Original acceptable documents, as specified by HUD, must be submitted and photocopied by the PCDC at the following times:

- For applicants, at final eligibility determination;
- For families receiving assistance, at the first regular reexamination after June 19, 1995;
- For new family members, at the first interim or regular reexamination following the person's occupancy;
- Whenever a family applies for admission to a HUD program unless the family already has submitted evidence to the PCDC.

If the family is continuously assisted, documentation needs to be submitted only one time in the same program.

Extensions, in writing, for a specific period of time shall be granted if family member:

- Submits required declaration certifying that any person for whom evidence has not been submitted is noncitizen with eligible immigration status; and
- Certifies that evidence needed is temporarily unavailable and additional time is needed; and
- Certifies that prompt and diligent efforts will be made to obtain evidence.

If evidence is not provided within time specified, the PCDC shall proceed to:

- Deny, prorate or termination of assistance; or
- Provide continued assistance or temporary deferral of termination of assistance under regulations

Assistance for mixed families

A mixed family may continue to receive full program assistance if:

- The family was receiving assistance under a Section 214 covered program on June 19, 1995;
- The family's head of household or spouse has eligible immigration status (including citizenship); and
- 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, or any children of the head of household or spouse. (24 CFR 812.10 c(3)).

False or Incomplete Information

When the PCDC has clear, concrete, or substantial documentation (such as a permanent resident card or information from another agency) that contradicts the declaration of citizenship made by an applicant or participant, an investigation will be conducted and the individual given an opportunity to present relevant information.

If the individual is unable to verify their citizenship, the PCDC may give the individual an opportunity to provide a new declaration as an eligible immigrant or to elect not to contend their status. The PCDC will then verify eligible status, deny, terminate, or prorate as applicable.

The PCDC will deny or terminate assistance based on the submission of false information or misrepresentations.

Procedure for Denial or Termination [24 CFR 5.514, (2), (d), (1), (2), (3), (4), (5), (6)]

If the family (or any member) claimed eligible immigrant status and the INS primary and secondary verifications failed to document the status, the family may make an appeal to the INS and request a hearing with the PCDC either after the INS appeal or in lieu of the INS appeal.

After the PCDC has made a determination of ineligibility, the family will be notified of the determination and the reasons and informed of the option for prorated assistance, if applicable.

The notice of denial or termination of assistance shall advise the family:

1. That rental assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance;
2. That the family may be eligible for proration of assistance as provided under 24 CFR 5.520
3. In the case of a tenant, the criteria and procedures for obtaining relief under the provisions for preservation of families in 24 CFR 5.514 and 5.518;
4. That the family has a right to request an appeal to the INS of the results of secondary verification of immigration status and to submit additional documentation or a written explanation in support of the appeal in accordance with the procedures in 24 CFR 5.514 (e);
5. That the family has a right to request an informal hearing with the responsible entity either upon completion of the INS appeal or in lieu of the INS appeal as provided in 24 CFR 5.514 (e);
6. For applicants, the notice shall advise that assistance may not be delayed until the conclusion of the INS appeal process, but assistance may be delayed during the pendency of the informal hearing process.

D. Automatic Termination of Rental Assistance

Contracts

Families may remain in the unit at \$0 assistance for up to 180 days after the last HAP Contract payment. If the family is still in the unit after 180 days, the assistance will be terminated. If within the 180-day timeframe an owner increases the rent or there is a decrease in the Total Tenant Payment, which causes the family to be eligible for a housing assistance payment, the PCDC will resume assistance payments for the family.

In order for a family to move to another unit during the 180 days, the rent for the new unit would have to be high enough to necessitate a housing assistance payment.

E. Option Not to Terminate for Misrepresentation

[24 CFR 982.551, 982.552 (c), (vii)]

If the family has misrepresented any facts that caused the PCDC to overpay assistance, the PCDC, at its discretion may offer a family the opportunity to enter into a repayment agreement or require the family to repay the PCDC in full.

F. Misrepresentation in Collusion with Owner

[24 CFR 982.551, 982.552 (c)]

If the family willingly and knowingly commits fraud or is involved in any other illegal scheme with the owner, the PCDC will deny or terminate assistance.

In making this determination, the PCDC will carefully consider the possibility of overt or implied intimidation of the family by the owner and the family's understanding of the events.

G. Missed Appointments and Deadlines [24 CFR 982.551, 982.552 (a)]

It is a family obligation to supply information, documentation, and certification as needed for the PCDC to fulfill its responsibilities. The PCDC schedules appointments and sets deadlines in order to obtain the required information. The Obligations also require that the family allow the PCDC to conduct an inspection of the unit and appointments are made for this purpose.

An applicant or participant who fails to keep the final appointment, or to supply information required by a deadline may be sent a Notice of Denial or Termination of Assistance for failure to provide required information, or for failure to allow the PCDC to inspect the unit.

Appointments will be scheduled and time requirements will be imposed for the following events and circumstances:

1. Eligibility for Admissions
2. Verification Procedures
3. Housing Choice Voucher Issuance and Briefings
4. Housing Quality Standards Inspections
5. Annual and Interim re-examinations
6. Informal reviews and hearings

Acceptable reasons for missing appointments or failing to provide information by deadlines are:

1. Medical emergency
2. Family emergency

Procedure when Appointments are Missed or Information not Provided

For most purposes in this Plan, the family will be given two opportunities before being issued a notice of termination or denial for breach of a family obligation.

Once the notice of termination has been issued, if the family offers to correct the breach within the time allowed to request a hearing, the notice of termination may be rescinded if the family does not have a history of non-compliance.

CHAPTER 16

OWNER DISAPPROVAL AND RESTRICTION

INTRODUCTION

It is the policy of the Pasadena Community Development Commission (PCDC) to encourage and recruit owners to participate in the program, and to provide owners with prompt and professional service in order to maintain an adequate supply of available housing throughout the jurisdiction of the PCDC. The regulations define when the PCDC must disallow an owner's participation in the program, and they provide the PCDC discretion to disapprove or otherwise restrict the participation of owners in certain categories. This Chapter describes the criteria for owner disapproval, and the various penalties for owner violations.

A. DISAPPROVAL OF OWNER [24 CFR 982.306, 982.54 (d)(8)]

Nothing in this rule is intended to give any owner any right to participate in the program. For purposes of this section, "owner" includes a principal or other interested party.

The PCDC will disapprove the owner for the following reasons:

1. HUD or other agency directly related has informed the PCDC that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.
2. HUD has informed the PCDC that the federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending.
3. HUD has informed the PCDC that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other federal equal opportunity requirements.
4. The owner has violated obligations under a Housing Assistance Payments (HAP) contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).
5. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
6. The owner has engaged in any drug-related criminal activity or any violent

criminal activity.

7. The owner has a history or practice of non-compliance with Housing Quality Standards (HQS) for units leased under the tenant-based programs, or with applicable housing standards for units leased with Project-Based Section 8 Assistance or leased under any other federal housing program.
8. The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing programs.
9. The owner has not paid State or local real estate taxes, fines or assessments.
10. The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that:
 - (i) Threatens the right to peaceful enjoyment of the premises by other residents;
 - (ii) Threatens the health or safety of other residents, of employees of the PCDC, or of owner employees or other persons engaged in management of the housing;
 - (iii) Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises.
11. The PCDC must not approve a unit if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, or related by marriage, unless the PCDC determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities.

B. OWNER RESTRICTIONS AND PENALTIES [24 CFR 982.453]

If an owner commits fraud or abuse or is guilty of frequent or serious contract violations, the PCDC will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. The PCDC may also terminate some or all contracts with the owner.

Before imposing any penalty against an owner the PCDC will review all relevant factors pertaining to the case, and will consider such factors as the owner's record of compliance and the number of violations.

The PCDC guidelines for restrictions are contained in the table below. The items below are described in the HUD regulation. HUD debarments and fair housing violations require terminations, but the other categories of contract breach are discretionary with regard to possible PCDC remedies. The PCDC may utilize items such as written warnings, abatements, reductions and/or terminations. In some cases the PCDC may terminate only the contract(s) which have been violated.

DISAPPROVAL OF OWNERS/PARTICIPATION RESTRICTIONS

| BREACH | PENALTY |
|--|----------------|
| HUD notification of owner debarment/suspension. | Termination |
| HUD notification of violation of fair housing/federal equal opportunity. | Termination |
| Violation of HAP contract obligations. | Termination |
| Owner fraud, bribery or other corrupt act in federal housing program. | Termination |
| Owner engaged in drug trafficking. | Termination |
| History of noncompliance with HQS. | Abatement |
| History of renting units below code. | Abatement |
| State/local real estate taxes, fines or assessments. | Abatement |

C. OTHER REMEDIES FOR OWNER VIOLATIONS

Overpayments

If the owner has been overpaid as a result of fraud, misrepresentation or violation of the HAP contract, the PCDC may terminate the HAP contract and arrange for restitution to the PCDC and/or family as appropriate.

The PCDC will make every effort to recover any overpayments made as a result of owner fraud or abuse. Payments otherwise due to the owner may be debited in order to repay the PCDC or the tenant, as applicable.

CHAPTER 17

OWNER OR FAMILY DEBTS TO THE PCDC

INTRODUCTION

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

When families or owners owe money to the PCDC, the PCDC will make every effort to collect it. The PCDC will use a variety of collection tools to recover debts including, but not limited to:

1. Abatements
2. Requests for lump sum payments
3. Repayment Agreements
4. Reductions of Housing Assistance Payments
5. Civil suits
6. Collection agencies
7. Credit bureaus
8. Income tax set-off programs

A. REPAYMENT AGREEMENT FOR FAMILIES **[24 CFR 982.552 (c) v, vi, vii]**

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

The City of Pasadena Finance Department will be responsible for collecting amounts owed by the family for claims paid and for monitoring the repayment.

The maximum amount for which the PCDC will enter into a Repayment Agreement with a family is \$2,500. The minimum amount is \$250. Amounts greater than \$2,500 or less

than \$250 must be paid in full. In cases of extreme hardship the PCDC may increase the maximum amount allowed to enter into a repayment agreement up to, but not exceeding \$5,000. Any amount exceeding \$5,000 must be paid in full.

The minimum initial payment for any Repayment Agreement is the greater of 10% of the beginning balance of the repayment amount or \$50.

Families will be provided no more than 30 days from the date of the PCDC repayment notice to enter into the repayment agreement and provide the required initial payment.

Late Payments

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

If a family's repayment agreement is in arrears, the City of Pasadena Finance Department will follow up, and will forward a monthly written report on all delinquent accounts to the PCDC.

The City of Pasadena Finance Department will:

1. Require the family to pay the total outstanding balance of the repayment amount in full within 15 days.
2. Pursue civil collection of the balance due.

If a family requests a move to another unit and has a Repayment Agreement, and the Repayment Agreement is not in arrears, the family will only be permitted to move to another unit within the PCDC jurisdiction. Request for portability will be denied unless the family pays the balance in full.

If a family requests a move to another unit and is in arrears on a Repayment Agreement, the family will be required to pay the total outstanding balance of the repayment amount in full within 30 days. If the family complies, a move will be permitted, if not the family may be terminated from the program.

Repayment Schedule for Monies Owed to the PCDC

| <u>Initial Payment Due</u> | Amount Owed | Maximum Term |
|---|--------------------|--------------|
| Greater of 10% of Total Amount or \$50.00 | \$250.00 - \$2,500 | 36 months |
| 10% of Total Amount | \$2,501 - \$3,500 | 48 months |
| 10% of Total Amount | \$3,501 - \$5,000 | 60 months |

The actual terms of the Repayment Agreement (i.e., initial payment, monthly payment and length of repayment term, etc.) will be determined based on PCDC's repayment policies and procedures.

There are some circumstances in which the PCDC will not enter into a Repayment Agreement. They are:

1. If a family already has a Repayment Agreement in place.
2. If the PCDC determines that the family committed program fraud other than untimely reporting of increases in income.

However, the case will be referred to the City of Pasadena Finance Department for collection of the total overpayment owed to the PCDC.

Guidelines for Repayment Agreements

The Repayment Agreement will be executed between the PCDC and the head of household, spouse and any other adult household member responsible for the overpayment.

Monthly payments may be decreased in cases of an extreme hardship. The family may request decreases in monthly payments, with supporting documentation of extreme hardship, and the approval of the Housing Administrator and/or the Housing Assistance Officer.

Additional Monies Owed

If the family has a Repayment Agreement in place and incurs an additional debt to the PCDC, the PCDC will not enter into an additional or amended Repayment Agreement and the family will be required to pay any new debts in full. The family will also be subject to termination of the housing assistance for repeated violation of the Obligations of the Family.

B. DEBTS DUE TO FRAUD/NON-REPORTING OF INFORMATION

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

Family Error/Late Reporting

Families who owe money to the PCDC due to the family's failure to report increases in income will be required to repay the overpaid rental assistance in accordance with the guidelines in the repayment section of this chapter.

Program Fraud

Housing assistance will be terminated for families who owe money to the PCDC due to program fraud. The PCDC will attempt to collect the overpaid rental assistance from the family. If the family fails to pay, the matter will be referred to the City of Pasadena Finance Department and the family will be required to repay the amount in accordance with the appropriate civil collection procedures.

If a family owes an amount, which equals or exceeds \$5,000 as a result of program fraud, other than untimely reporting of increase of income, the case will be referred to the Inspector General. Where appropriate, the PCDC will refer the case for criminal prosecution.

C. OWNER DEBTS TO THE PCDC

If the PCDC determines that an owner has retained housing assistance payments the owner is not entitled to, the PCDC may reclaim the amounts from future housing assistance payments owed the owner for any units under a HAP contract. If future housing assistance payments are insufficient to reclaim the amounts owed, the PCDC will:

1. Require the owner to pay the amount in full within 30 days.
2. Pursue collections through the local court system.
3. Restrict the owner from future participation.

D. WRITING OFF DEBTS

Debts will be written off if:

1. The debtor is deceased.
2. The debtor is confined to an institution indefinitely.

CHAPTER 18

COMPLAINTS AND APPEALS

INTRODUCTION

The informal review and informal hearing requirements defined in Housing Urban Development (HUD) regulations are applicable to applicants and participating families who disagree with an action, decision, or inaction of the Pasadena Community Development Commission (PCDC). Families can exercise their right to an informal hearing, informal review and/or local preference denial meetings when the family disputes a PCDC decision. This chapter describes the policies, procedures and standards to be used when families disagree with a PCDC decision. It is the policy of the PCDC to ensure that all families have the benefit of all protections due to them under the law, HUD regulations and the PCDC policies.

A. COMPLAINTS TO THE PCDC

The PCDC will respond promptly to complaints from families, owners, City of Pasadena employees, and members of the public. All complaints will be documented. The PCDC will require that complaints other than HQS violations be put in writing. HQS complaints may be reported by telephone.

Categories of Complaints

1. Complaints from families: If a family disagrees with an action or inaction of the PCDC or owner.
2. Complaints from owners: If an owner disagrees with an action or inaction of the PCDC or a family.
3. Complaints from City of Pasadena staff: If a staff person reports an owner or family either violating or not complying with program rules.
4. Complaints from the general public: Complaints or referrals from persons in the community in regard to the PCDC, a family or an owner.

All complaints will be referred to the appropriate staff.

The PCDC informal review and informal hearing procedures will be provided to families in the briefing packet. Additional copies of these procedures are available to the families upon request.

B. PCDC LOCAL PREFERENCE DENIALS

When the PCDC denies a local preference, the applicant family will be notified in writing of the specific reason for the denial and offered the opportunity for a meeting with PCDC staff to discuss the reason(s) for the denial and to dispute the PCDC's decision.

The person who conducts the meeting must be an employee of the PCDC, including the person who made the decision.

The PCDC will inform the applicant family in writing of the final decision within 30 days after the meeting, including a brief statement of the reasons for the final decision.

C. INFORMAL REVIEW PROCEDURES [24 CFR 982.54 (d) (12), 982.554]

Informal reviews are provided for applicants who are denied admission to the program. When the PCDC determines that an applicant is ineligible for the program, the family must be notified of their ineligibility in writing. The notice must contain:

1. A brief statement of reason for the PCDC decision;
2. The procedure for requesting an informal review if the applicant does not agree with the PCDC decision; and
3. The deadline to request an informal review.

The PCDC must give applicants an opportunity for an informal review of the PCDC decision denying assistance. However, the PCDC is not required to provide the applicant an opportunity for an informal review for any of the following:

1. Discretionary administrative determinations by the PCDC.
2. General policy issues or class grievances.
3. A determination of the family unit size under the PCDC subsidy standards.
4. A PCDC determination not to approve an extension or suspension of a voucher, certificate, or HOME coupon term.
5. A PCDC determination not to grant approval of the tenancy.
6. A PCDC determination that a unit selected by the applicant is not in compliance with HQS.
7. A PCDC determination that the unit is not in accordance with HQS because of

the family size or composition.

Decisions related to restrictions on assistance to non-citizens always require an informal hearing regardless of whether the family is an applicant or a participant. (The informal hearing provisions for the denial of assistance on the basis of ineligible immigration status are contained in 24 CFR Part 5).

When a request for an informal review is not received by the deadline, the PCDC will not provide an applicant an informal review.

PCDC Informal Review Procedures

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

The informal review may be conducted by any person or persons designated by the PCDC other than a person who made or approved the decision under review or subordinate of this person.

The applicant will be given the opportunity to present oral or written objections to the PCDC decision.

The PCDC may verify the evidence submitted at the informal review by the applicant before a decision of the informal review is made.

The PCDC will inform the applicant in writing of the final decision within 30 days after the informal review, including a brief statement of the reasons for the final decision.

D. INFORMAL HEARING PROCEDURES [24 CFR 982.555, 982.54(d)(13)]

The PCDC must give a participant family an opportunity for an informal hearing to consider whether the following PCDC decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations and PCDC policies:

1. A determination of the family's annual or adjusted income and the use of such income to compute the housing assistance payment.
2. A determination of the appropriate utility allowance (if any) used for tenant-paid utilities from the PCDC utility allowance schedule.
3. A determination of the family unit size under PCDC subsidy standards.
4. A determination that a certificate program family is residing in a unit with a

larger number of bedrooms than appropriate for the family unit size under the PCDC subsidy standards, or the PCDC determination to deny the family's request for an exception from the standards.

5. A determination to terminate assistance for a participant family because of the family's action or failure to act.
6. A determination to pay an owner claim for damages, unpaid rent or vacancy loss, if applicable.
7. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under the PCDC policy and HUD rules.

For cases described in numbers four through seven, the PCDC must give the participant family the opportunity for an informal hearing before the PCDC terminates housing assistance payments for the family under an outstanding HAP Contract.

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

1. The proposed action or decision of the PCDC;
2. The date the proposed action or decision will take place;
3. The family's right to an explanation of the basis for the PCDC's decision;
4. The procedures for requesting an informal hearing if the family disputes the action or decision;
5. The deadline for the family to request an informal hearing;
6. The name of the person whom the informal hearing request should be addressed to and
7. A copy of the PCDC hearing procedures.

The PCDC is not required to provide a participant family an opportunity for an informal hearing for any of the following:

1. Discretionary administrative determinations by the PCDC.
2. General policy issues or class grievances.

3. Establishment of the PCDC schedule of utility allowances for families in the program.
4. A PCDC determination not to approve an extension or suspension of a voucher, certificate, or HOME term.
5. A PCDC determination not to approve a unit or tenancy.
6. A PCDC determination that an assisted unit is not in compliance with HQS. (However, the PCDC must provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family as described in 982.551(C).
7. A PCDC determination that the unit is not in accordance with HQS because of the family size.
8. A determination by the PCDC to exercise or not exercise any right or remedy against the owner under a HAP contract.

Notification of Hearing

Upon receipt of the request for an informal hearing, the PCDC will notify the participant family in writing of the scheduled informal hearing. The notice will include:

1. The date and time of the informal hearing.
2. The location where the informal hearing will be held.
3. The family's right to present evidence, witnesses, legal or other representation at the family's expense. The family must notify the PCDC within five days from the date of the notification of their decision to have legal representation.
4. The family's right to examine before the informal hearing any documents or evidence in the possession of the PCDC that are directly relevant to the hearing, and at the family's expense, to obtain a copy of such documents prior to the hearing. If the PCDC does not make the document available for examination on request of the family, the PCDC may not rely on the document at the informal hearing. Such documents or evidence must be available to or received by the family no later than 10 days before the informal hearing date.
5. The right by the PCDC to examine at the PCDC's offices before the informal hearing, any family documents that are directly relevant to the hearing. The PCDC must be allowed to copy any such document at the

PCDC's expense. If the family does not make the document available for examination on request of the PCDC, the family may not rely on the document at the informal hearing. Such documents or evidence must be received by the PCDC no later than 10 days before the informal hearing date.

PCDC Informal Hearing Procedures

A request for an informal hearing must be received by the PCDC in writing no later than 15 days from the date of the PCDC's notification of termination of assistance. The informal hearing will be scheduled within 15 days from the date the request is received.

When the request for an informal hearing is not received by the deadline, the PCDC will not provide a participant family an informal hearing.

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

The informal hearing will be canceled by the PCDC if the family is not present 15 minutes after the informal hearing scheduled time. The PCDC may schedule a final informal hearing only if the family can provide "good cause."

If a participant family does not appear at a scheduled informal hearing and has not rescheduled the hearing in advance, the family must contact the PCDC within 48 hours, excluding weekends and holidays. The PCDC will reschedule the informal hearing only if the family can provide "good cause" for the failure to appear.

Families have the right to:

1. Present written or oral objections to the PCDC's determination.
2. Examine the documents in the file which are directly relevant to the basis for the PCDC's action, and all documents submitted to the hearing officer;
3. Copy any relevant documents at their expense;
4. Present any information or witnesses pertinent to the issue of the informal hearing;

5. Request that PCDC staff be available or present at the informal hearing to answer questions pertinent to the case; and
6. Be represented by legal counsel, advocate, or other designated representative at their own expense.

If the family requests copies of documents relevant to the hearing, the PCDC will make the copies for the family and assess a charge of \$.15 per copy. In no case will the family be allowed to remove the file from the PCDC office.

In addition to other rights contained in this chapter, the PCDC has a right to:

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

The informal hearing may be conducted by any person or persons designated by the PCDC, other than a person who made or approved the decision under review or a subordinate of this person. The PCDC appoints hearing officers who are knowledgeable of the Rental Assistance Programs and experienced in dispute resolution, mediation and arbitration.

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

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

The hearing officer may ask the family for additional information and/or or adjourn the hearing in order to reconvene at a later date, before reaching a decision. The submission of additional information may not exceed 15 days from the date of the informal hearing.

If the family misses an appointment or deadline established by the hearing officer, the decision of the PCDC shall become final and another informal hearing will not be granted.

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

A notice of the decision made by the hearing officer will be provided in writing to the PCDC and shall include:

1. A clear summary of the decision and reason(s) for the decision; and
2. If the decision involves money owed.

The PCDC is not bound by hearing decision which;

1. Concern matters in which the PCDC is not required to provide an opportunity for an informal hearing, or that otherwise exceeds the authority of the person conducting the hearing under the PCDC hearing procedures.
2. Conflict with or contradict HUD regulations or requirements, or otherwise contradict federal, State, or local law.

If the PCDC determines that is not bound by the hearing officer's decision, the PCDC will notify the family of the determination and of the reasons for the determination, within five working days of receipt of the hearing officer's decision.

E. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS" [24 CFR, Part 5, Subpart E]

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the Immigration Naturalization Services (INS) appeal.

Assistance to a family may not be terminated or denied while the PCDC informal hearing is pending but assistance to an applicant may be delayed pending the PCDC hearing.

INS Determination of Ineligibility

If a family member claims to be an eligible immigrant and the INS Systematic Alien Verification for Entitlements (SAVE) system and manual search do not verify the claim, the PCDC notifies the applicant or participant within 10 days of their right to appeal to the INS within 30 days or to request an informal hearing with the PCDC either in lieu of or subsequent to the INS appeal.

If the family appeals to the INS, they must give the PCDC a copy of the appeal and proof of mailing or the PCDC may proceed to deny or terminate. The time period to request an appeal may be extended by the PCDC for "good cause."

The request for a PCDC informal hearing must be made within 15 days of receipt of the notice offering the informal hearing or, if an appeal was made to the INS, within 15 days of receipt of that notice.

After receipt of a request for an informal hearing, the informal 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 members the PCDC will:

1. Deny the applicant family.
2. Defer termination if the family is a participant and qualifies for deferral.
3. Terminate the participant if the family does not qualify for deferral.

If there are eligible members in the family, the PCDC will offer to prorate assistance or give the family the option to remove the ineligible members.

All other complaints related to eligible citizenship/immigration status:

1. If any family member fails to provide documentation or 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.
2. Participants whose termination is carried out after temporary deferral may not request an informal hearing since they had an opportunity for a hearing prior to the termination.
3. 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 an informal hearing based on

the right to a hearing regarding determinations of tenant rent and total tenant payment.

4. Families denied or terminated for fraud in connection with the non-citizens rule are entitled to an informal review or informal hearing in the same way as terminations for any other type of fraud.

F. MITIGATING CIRCUMSTANCES FOR APPLICANTS/PARTICIPANTS WITH DISABILITIES

When applicants are denied placement on the waiting list or the PCDC is terminating assistance for a participant family, the PCDC 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.

CHAPTER 19

PROJECT-BASED ASSISTANCE PROGRAM

INTRODUCTION

The Project-Based Voucher Program (PBVP) affords the Pasadena Community Development Commission (PCDC) greater flexibility in providing broader options in meeting the affordable housing needs of the City of Pasadena. As determined by the U.S. Department of Housing and Urban Development (HUD), the PCDC is allowed to allocate up to 15% of the Rental Assistance Program funds to PBA projects. With the exception of single-family units and dwelling units specifically for elderly or disabled families, or families receiving supportive services, only 25% of the units in any one building may have project-based assistance.

A. PROJECT-BASED ASSISTANCE (PBA) PROGRAM [24 CFR 983.1]

The purpose of the PBV Program is to induce owners to construct standard, or upgrade substandard, rental housing stock, and make it available to low-income families at rents within the Housing Choice Voucher Program (HCVP) Fair Market Rents (FMR), and maintain as affordable rental housing stock that is at risk of becoming unaffordable for low-income families. PBVA provided by the PCDC may be used only for units within the City of Pasadena.

The provision of assistance that is attached to units as project-based assistance is different in its application than that of tenant-based assistance typically provided by the HCVP. With project-based assistance, the PCDC enters into a HAP contract with the owner to make housing assistance payments during the contract term for a specific unit(s). The subsidy is paid when the owner leases the unit to an eligible family. To fill vacant project-based units, the PCDC refers families from its waiting list to the owner. Because the assistance is tied to the unit, a family that moves from the unit does not have any right to continued assistance. When vacated the unit is subsequently rented to another eligible family.

Funds for PBVP are not provided separately and are part of the Consolidated Annual Contributions Contract (ACC) funding authority for the PCDC's entire Rental Assistance Program.

B. HUD SUBMISSION [24 CFR 983.3]

The PCDC may attach voucher assistance to units in accordance with 24 Part 983 if:

1. The number of units to be project based does not exceed the applicable percent limit.
2. The number of units to be project-based are not under a tenant-based or project-based HAP contract or otherwise committed (e.g. vouchers issued to families searching for housing or units under an Agreement).

Percent limit

The applicable percent limit is either the 15 percent limit or the 30 percent limit. The 30 percent limit is only applicable if:

- a. There are no project-based new construction units in the HCVP;
- b. The additional 15% of project-based units (in excess of the 15-percent limit) is for the rehabilitation of units in projects assisted under a State program that permits owners to prepay State-assisted or subsidized mortgages; and
- c. The additional 15% of project-based units is necessary to provide incentives for project owners to preserve the projects for occupancy by low and moderate income families for the term of the HAP contract, and assist low-income tenants to afford any rent increases.

Before implementing PBV program the PCDC must submit the following information to the HUD field office for review:

1. The total number of units for which the PCDC is requesting approval to attach assistance;
2. The number of budgeted vouchers units;
3. The number of vouchers units available to be project-based; i.e., the number of budgeted vouchers units that are not under a tenant-based or project-based HAP contract or otherwise committed (e.g., vouchers issued to families searching for housing or units under an Agreement).

The PCDC must ensure that the amount of assistance that is attached to units is within the amounts available under the ACC.

C. OWNER APPLICATION SUBMISSION [24 CFR 983.51]

1. The PCDC has adopted a written policy establishing competitive procedures for owners' submission of applications. This written policy identifies and specifies the weight to be given to the factors that will be used to rank and select applications. These factors are as follows:

| | |
|---|-----------|
| Experience/Administrative Capacity: | 20 Points |
| Need: | 20 Points |
| Mixed Income: | 20 Points |
| Financial/Marketability: | 20 Points |
| Community Impact: | 15 Points |
| Equal Opportunity Employment Practices: | 5 Points |

2. The PCDC will select units to which assistance is to be attached. These units must be selected in accordance with the PCDC's selection policy.
3. The PCDC will advertise in a newspaper of general circulation that the PCDC will accept applications for assistance under PBVP for specific projects. The advertisement must be approved by the HUD field office and may not be published until after HUD authorization to implement a project-based program or ACC execution.

The advertisement must: be published once a week for three consecutive weeks; specify an application deadline of at least 30 days after the date the advertisement is last published; specify the number of units the PCDC estimates it will be able to assist under the funding the PCDC is making available for this purpose; and state that only application submitted in response to the advertisement will be considered.

4. The owner's application submittal must contain the following:
 - a. A description of the housing to be constructed or rehabilitated, including 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. For rehabilitation, the description must describe the property as is, and must also describe the proposed rehabilitation;
 - b. Evidence of site control and for new construction, identification and description of the proposed site, site plan and neighborhood;
 - c. If applicable, evidence that the proposed new construction or rehabilitation is permitted by current zoning ordinances or regulations or evidence to indicate that the needed rezoning is likely and will not delay the project;

- d. The proposed contract rent per unit, including an indication of which utilities, services, and equipment are included in the rent and which are not included. For those utilities that are not included in the rent, an estimate of the average monthly cost for each unit type for the first year of occupancy;
- e. A statement identifying:
 1. The number of persons (families, individuals, businesses and nonprofit organizations) occupying the property on the date of submission of the application;
 2. The number of persons to be displaced, temporarily relocated or moved permanently within the building or complex;
 3. The estimated cost of relocation payments and services, and the sources of funding; and
 4. The organization(s) that will carry out the relocation activities;
 5. The identity of the owner and other project principals and the names of officers and principal members, shareholders, investors and other parties having substantial interest; certification showing that the above-mentioned parties are not on the U.S. General Services Administration list of parties excluded from Federal procurement and nonprocurement programs; a disclosure of any possible conflict of interest by any of these parties that would be a violation of the Agreement or the HAP contract; and information on the qualifications and experience of the principal participants. Information concerning any participant who is not known at the time of the owner's submission must be provided to the PCDC as soon as the participant is known;
 6. The owner's plan for managing and maintaining the units;
 7. Evidence of financing or lender interest and the proposed terms of financing;
 8. The proposed term of the HAP contract; and
 9. Any other information the PCDC believes necessary.

As of January 1, 2006, the PCDC has five locations approved for project-based which are:

1. Woodbury Senior Apartments – 3 units
2. Villa Los Robles – 2 units

3. Centennial Place Apartments – 27 units
4. 270 Parke Street – 3 units
5. Orange Grove Gardens Apartments – 9 units

D. ELIGIBLE AND INELIGIBLE PROPERTIES [24 CFR 983.7]

982.352 of 24 CFR, Eligible Housing, does not apply. Newly constructed and existing structures of various types may be appropriate for attaching assistance to the units under 24 CFR Part 983, including single-family housing and multi-family housing.

The PCDC may not attach or pay PBV assistance in the following types of housing:

1. Housing for which the construction is started before Agreement execution;
2. Housing for which the rehabilitation is started before Agreement execution;
3. Shared housing; nursing homes; and facilities providing continual psychiatric, medical, nursing services, board and care or intermediate care;
4. Units within the grounds of penal, reformatory, medical, mental, or similar public or private institutions;
5. Housing located in an area that has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards;
6. College or other school dormitories;
7. Manufactured homes.

The PCDC may not attach or pay PBV assistance to units in any of the following types of subsidized housing:

1. Public housing;
2. A unit subsidized by any other form of Section 8 assistance (tenant-based or project-based);
3. A unit subsidized with any local or State rent subsidy;
4. A Section 236 project (insured or noninsured); or a unit subsidized with Section 236 rental assistance payments;

5. A Rural Development Administration Section 515 project;
6. A unit subsidized with rental assistance payments under Section 521 of the Housing Act of 1949 (a Rural Development Administration Program);
7. Housing Assisted under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);
8. Section 221(d)(3) project;
9. A project with a Section 202 loan;
10. A Section 202 project for non-elderly persons with disability (Section 162 assistance);
11. Section 202 supportive housing for the elderly;
12. Section 811 supportive housing for persons with disabilities;
13. A Section 101 rent supplement project;
14. A unit subsidized with tenant-based assistance under the HOME program; or
15. Any unit with any other duplicative Federal, State, or local housing subsidy, as determined by HUD. For this purpose, "housing subsidy" does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

Assistance may not be attached to a unit that is occupied by an owner; however, cooperatives are considered to be rental housing for the purposes of this part 983.

E. SPECIAL HOUSING TYPES [24 CFR 982.13]

In the PBV program, the PCDC may not provide assistance for shared housing or for manufactured homes.

A group home may include one or more group home unit. There must be a single PBV HAP contract for units in the group home. A separate lease is executed for each elderly person or person with disabilities who resides in a group home.

F. DECONCENTRATION OF POVERTY AND EXPANSION OF HOUSING AND ECONOMIC OPPORTUNITIES

In accordance with HUD requirements, all PBVA HAP Contracts or assistance agreements must be for units located in census tracts with poverty rates of less than 20%, unless HUD specifically approves an exception.

G. HOUSING ASSISTANCE PAYMENTS CONTRACT [24 CFR 983.151]

HAP contracts and Agreements executed prior January 1, 2006, the term of the HAP contract and agreement were no more than ten years.

On or after January, 1, 2006, the PCDC must enter into a HAP contract with the owner stating the terms and conditions of the PBA project. The initial HAP contract term may not be less than one year nor more than five years, and may not extend beyond the ACC expiration date for the funding source from which the HAP contract is to be funded.

Within these limits the PCDC has sole discretion to determine the HAP contract term. The effective date of the HAP contract may not be earlier than the date of the PCDC inspection and acceptance of the unit.

With HUD field office approval and at the sole option of the PCDC, the PCDC may renew expiring HAP contracts for such period or periods as the HUD field office determines appropriate to achieve long-term affordability of the assisted housing provided that the term does not extend beyond the ACC expiration date for the founding source. The PCDC must identify the funding source for renewals; different funding sources may be used for the initial term and review terms of the HAP contract.

The PCDC must execute the HAP Contract if the PCDC accepts the unit(s) under 983.104. The effective date of the HAP contract may not be earlier than the date of the PCDC inspection and acceptance of the unit(s).

After commencement of the HAP Contract term, the PCDC must make monthly housing assistance payments for each unit occupied under lease by a family.

The Quality Housing and Work Responsibility Act of 1998 (QHWRA) now requires owners to provide not less than one-year written notice to tenants and HUD of expiration or termination of the contract.

H. REDUCTION OF UNITS [24 CFR 983.152]

Owners must lease all assisted units under HAP contract to eligible families. Leasing of vacant, assisted unit(s) to ineligible tenants is a violation of the HAP contract and grounds for all available legal remedies, including suspension or debarment from the HUD program and reduction of the number of units under the HAP contract, as set forth in paragraph b of 24 CFR 983.152. Once the PCDC determined that a violation exists, the PCDC must notify the HUD field office of its determination and the suggested

remedies. At the direction of the HUD field office, the PCDC must take the appropriate action.

If at any time beginning 180 calendar days after the effective date of the HAP contract, the owner fails for a period of 180 continuous calendar days to have the assisted units leased to families receiving housing assistance or to families who were eligible when they initially leased the unit but are no longer receiving housing assistance, the PCDC may, on at least 30 calendar days notice, reduce the number of units covered by the HAP contract. The PCDC may reduce the number of units actually leased or available for leasing by eligible families plus 10 percent (round up).

If the owner has only one unit under HAP contract and if one year has elapsed since the date of the last housing assistance payment, the HAP contract may be terminated with the consent of the owner.

The PCDC will agree to an amendment of the HAP contract to provide for subsequent restoration of any reduction made pursuant to the above mentioned paragraph of this section if:

1. The PCDC determines that the restoration is justified by demand.
2. The owner otherwise has a record of compliance with obligations under the HAP contract; and
3. Contract authority is available.

I. RESPONSIBILITIES OF THE PCDC [24 CFR 983.201]

The PCDC must:

1. Inspect the project before, during and upon completion of new construction or rehabilitation, and
2. Ensure that the amount of assistance that is attached to units is within the amounts available under the ACC.

J. RESPONSIBILITIES OF THE OWNER [24 CFR 983.202]

Section 982.452 of 24 CFR part 982 applies. The owner is responsible for performing all of the owner responsibilities under the Agreement and the HAP Contract, providing the PCDC with a copy of any termination of tenancy notification, and offering vacant, accessible units to a family with one or more members with a disability requiring accessibility features of the vacant unit and occupying an assisted unit not having such features..

K. FAMILY PARTICIPATION [24 CFR 983.203]

The PCDC will use the tenant-based assistance waiting list for its PBA program pursuant to Sections §§982.201, 982.202 except paragraph (b)(c), 982.203, 982.204 except paragraph (a) and (b), 982.205 except paragraph (a), 982.206 and 982.207. When the owner notifies the PCDC of vacancies in the PBA units, the PCDC will refer one or more families of the appropriate size from its waiting list. A family that refuses an offer of a PBA unit will keep its place on the tenant-based waiting list. The owner must rent all vacant PBA units to eligible families referred by the PCDC. The PCDC will determine eligibility of any family referred for a PBA unit.

Before the PCDC selects a specific unit to which assistance is to be attached, the PCDC must determine whether the unit is occupied, and if so, whether the occupants are eligible for assistance. If the unit is occupied by an eligible family (including a single person), and the PCDC selects the unit, the family must be given the opportunity to lease that unit or another appropriately sized, project-based unit in the project without requiring that the family be placed on the waiting list. The PCDC may not enter into an agreement to provide project-based assistance to a unit whose occupants are not eligible to participate in the program.

If the PCDC does not refer a sufficient number of interested applicants on the PCDC waiting list to the owner within 30 days of the owner's notification to the PCDC of a vacancy, the owner may advertise for or solicit applications from eligible very low-income families. The owner must refer these families to the PCDC to determine eligibility.

The owner is responsible for screening and selection of tenants. The owner must adopt written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income households and with an applicant's ability to perform the lease obligations. The owner must promptly notify any rejected applicant in writing of the grounds for that rejection.

In order for a family to be eligible for participation under the PBV Program, the family must meet the eligibility criteria outlined in Chapter 2 of this Administrative Plan and the family's annual income may not exceed the applicable income limit as set by HUD.

A family becomes a participant when the family and owner execute a lease for a unit with project-based assistance.

If the HAP contract for the unit expires or if the PCDC terminates the HAP contract for the unit:

1. The PCDC must issue the assisted family in occupancy of a unit a HCV for assistance under the PCDC's voucher program unless the PCDC has determined that it does not have sufficient funds for continued assistance for

the family, or unless the PCDC denies issuance of a voucher in accordance with §982.552.

2. If the unit is not occupied by an assisted family, then the available funds under the ACC that were previously committed for support of this project-based assistance for the unit must be used for the PCDC's voucher program.

L. BRIEFING SESSIONS FOR PBVP PARTICIPANTS [24 CFR 983.203 (d)]

Briefing sessions will be held for families who have been selected to occupy a project-based unit. The briefing session will provide the family with the following:

1. Information regarding the tenant rent and any applicable utility allowance;
2. A copy of the lead hazard information pamphlet;
3. Family and owner responsibilities under the lease and HAP contract;
4. Information on Federal, State, and local equal opportunity laws;
5. The fact that the subsidy is tied to the unit, that the family must occupy a unit under the program, that a family that moves from the unit does not have any right to continued assistance;
6. The likelihood of the family receiving a voucher after the HAP contract expires;
7. The family's options under the program if the family is required to move because of a change in family size or composition; and
8. Information on the PCDC's procedures for conducting informal hearings for participants, including a description of the circumstances in which the PCDC is required to provide the opportunity for an informal hearing (under §983.207), and the procedures for requesting a hearing.

M. PHYSICAL CONDITION STANDARDS & PHYSICAL INSPECTION REQUIREMENTS [24 CFR Part 983.5]

Housing used in the PBVP must be maintained and inspected in accordance with the requirements in 24 CFR Part 5, subpart G. In addition to the standards in 24 CFR Part 5, subpart G, the dwelling unit must have a living room, a kitchen area, and a bathroom. The dwelling unit must have at least one bedroom or living/sleeping room for each two persons.

The Lead-Based Paint Poisoning Prevention Act and implementing regulations at Part 35, subparts A, B, H, and R of this title apply to units assisted under this part.

N. MAINTENANCE, OPERATION AND INSPECTION [24 CFR 983.204]

The following sections do not apply to the PBVP:

1. 24 CFR 982.404 Maintenance: Owner and family responsibility; HA remedies, pertaining to owner responsibilities and PCDC remedies
2. 24 CFR 982.405 HA periodic unit inspection, and §982.405 Enforcement of HQS

The owner must provide all the 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.

In addition to the inspections required prior to execution of the HAP contract, the PCDC must inspect or cause to be inspected each dwelling unit under HAP contract at least annually and at such other times as may be necessary to assure that the owner is meeting the obligations to maintain the unit in decent, safe, and sanitary condition and to provide the agreed upon utilities and other services. The PCDC must take into account complaints and any other information coming to its attention in scheduling inspections.

If the PCDC notifies the owner that the units under HAP contract are not being maintained in decent, safe, and sanitary condition and the owner fails to take corrective action within the time prescribed in the notice, the PCDC may exercise any of its rights or remedies under the HAP contract, including abatement of housing assistance payments (even if the family continues in occupancy), the termination of the HAP contract on the affected units and termination of assistance to the family in accordance with §982.552.

O. OVERCROWDED AND UNDEROCCUPIED UNITS [24 CFR 983.205]

24 CFR 982.403 Terminating HAP contract when a unit is too big or too small does not apply.

If the PCCC determines that a contract unit is not decent, safe, and sanitary because of 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 the PCDC subsidy standards, housing assistance payments with respect to the unit may not be terminated for this reason. The owner, however, must offer the family a suitable alternative unit if one is available and the family shall be required to move. If the owner

does not have available a suitable unit within the family's ability to pay the rent, the PCDC (if it has sufficient funding) must offer Section 8 assistance to the family or otherwise assist the family in locating other standard housing in the PCDC's jurisdiction within the family's ability to pay, and require the family to move to such a unit as soon as possible. The family must not be forced to move, nor shall housing assistance payments under the HAP contract be terminated for the reasons specified in this paragraph, unless the family rejects, without good reasons, the offer of a unit that the PCDC's judges to be acceptable.

P. ASSISTED TENANCY AND TERMINATION OF TENANCY [24 CFR 983.206]

24 CFR 982.309 Term of assisted tenancy and § 982.310 Owner termination of tenancy do not apply.

The term of a lease, including a new lease or a lease amendment, executed by the owner and the family must be for at least one year, or the remaining term of the HAP contract if the remaining term of the HAP contract is less than one year.

The family must notify the PCDC and the owner before the family moves out of the unit.

Subpart A of part 247 of Title 24 Eviction from Certain Subsidized and HUD-Owner Projects applies except for §247.4(d) Title 24.

The family is required to terminate the lease with a 60 days advance written notice to the owner and a copy of the notice to the PCDC.

The owner may offer the family a new lease for execution by the family for a term beginning at any time after the first year of the term of the lease. The owner must give the family written notice of the offer at least 60 days before the proposed commencement date of the new lease term. The offer may specify a reasonable time for acceptance by the family. Failure by the family to accept the offer of a new lease in accordance with this paragraph shall be "other good cause" for termination of tenancy (under §247.3(a)(3) of Title 24).

Q. RENT AND HOUSING ASSISTANCE PAYMENT [24 CFR 983.251]

In subpart K of 24 CFR Part 982 (rent and housing assistance payment for tenant-based program), the following are the only sections that apply to the PBV program under this Part: §982.504 (for determination of the FMR/exception rent limit); §982.516 (regular and interim examination of the family income and composition); §983.517 (utility allowance scheduled).

R. LIMITS ON INITIAL RENT TO OWNER [24 CFR 983.252]

The initial rent to owner for a unit may not exceed the reasonable rent as determined by the PCDC in accordance with §983.256.

The initial gross rent for a unit (rent to owner plus utility allowance) may not exceed the FMR/exception rent limit is determined by the PCDC in accordance with §982.504.

The PBVA HAP Contract shall establish gross rents that do not exceed 110% of the established Fair Market Rent (FMR) or any HUD-approved "exception payment standard" for the City of Pasadena. The contract will also allow for an annual rent adjustment. The initial and adjusted rents to the owner must also be reasonable in relation to rents charged in the private market for comparable unassisted units.

S. ANNUAL ADJUSTMENT OF RENT TO OWNER
[24 CFR 983.254]

At each annual anniversary date of the HAP contract, the PCDC must adjust the rent to owner in accordance with the following requirements:

1. The owner must request a rent increase (including a comparability study to determine the amount of such increase) by written notice to the PCDC at least 120 days before the HAP contract anniversary. The request must be submitted in the form and manner required by the PCDC.
2. The PCDC may not increase the rent at the annual anniversary unless:
 - a. The owner requested the increase by the 120 day deadline; and
 - b. During the year before the contract anniversary, the owner complied with all requirements of the HAP contract, including compliance with the HQS for all contract units.

The adjusted rent to owner equals the lesser of:

1. The re-adjustment rent to owner multiplied by the applicable Section 8 annual adjustment factor published by HUD.
2. The reasonable rent as determined by the PCDC in accordance with §983.256; or
3. The rent requested by owner.

The applicable factor is the published annual adjustment factor in effect 60 days before the HAP contract anniversary. In making the annual adjustment, the pre-adjustment rent to owner does not include any previously approved special adjustments.

The rent to owner may be adjusted up or down in accordance with section 983.254.

T. SPECIAL ADJUSTMENT TO RENT TO OWNER
[24 CFR 983.255]

At HUD's sole discretion, HUD may approve a special adjustment of the rent to owner. The PCDC may only make a special adjustment of the rent to owner if the adjustment has been approved by HUD. The owner does not have any right to receive a special adjustment.

A special adjustment may only be approved to reflect increases in the actual and necessary costs of owning and maintaining the contract units because of substantial and general increases in:

1. Real property taxes;
2. Special governmental assessments;
3. Utility rates; or
4. Cost of utilities not covered by the regulated rates.

A special adjustment may only be approved if and to the extent the owner demonstrates that cost increases are not adequately compensated by application of the published annual adjustment factor at the contract anniversary. The owner must demonstrate that the rent to owner is not sufficient for proper operation of the housing.

The adjusted rent may not exceed the reasonable rent as determined by a comparability study in accordance with §983.256.

The owner must submit financial information, as requested by the PCDC, that supports the grant or continuance of a special adjustment. For HAP contracts of more than twenty units, such financial information must be audited.

The PCDC may withdraw or limit the term of any special adjustment. If a special adjustment is approved to cover temporary or one-time costs, the special adjustment is only a temporary or one-time increase of the rent to owner.

U. REASONABLE RENT [24 CFR 983.256]

The PCDC may not enter an agreement to enter into housing assistance payments contract until the PCDC determines that the initial rent to owner under

the HAP contract is a reasonable rent. During the term of a HAP contract, the rent to owner may not exceed the reasonable rent as determined by the PCDC.

At least annually during the HAP contract term, the PCDC must redetermine that the current rent to owner does not exceed a reasonable rent. The PCDC must determine whether the rent to owner is a reasonable rent in comparison to rent for other comparable unassisted units. To make this determination, the PCDC must consider:

1. The location, quality, size, unit type, and age of the contract unit; and
2. Any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

V. VACANT UNITS

Vacancy payments may be paid for up to 60 days after a unit becomes vacant in an amount not to exceed the rent to owner as provided by the PBVA HAP contract on the day the family vacated the unit. These payments will only be made if the vacancy was not the owner's fault, and if the owner and the PCDC take actions to limit the length and likelihood of any vacancy.

If no family rents a vacant unit within 120 days, the PCDC may terminate its commitment to make any additional HAP payments for this unit for the balance of the contract term.

W. CONVERSION OF SECTION 8 PROJECT-BASED ASSISTANCE TO TENANT-BASED ASSISTANCE [PIH NOTICE 99-40, SEPTEMBER 1, 1999]

HUD currently provides additional funding to public housing agencies to assist eligible residents who are affected by "housing conversions." Housing conversions occur when a Section 8 project-based contract is near expiration, has expired, or the owner chooses to "opt-out" of the contract ("contract termination"). In those instances where expiring project-based rental assistance is being replaced by tenant-based rental assistance vouchers, HUD shall determine the appropriate actions and provide guidance and instruction to the PCDC.

The conversion process typically begins with HUD's receipt of the notice from the owner, stating the intent to terminate the existing contract. This notice must be in writing and provided to both the tenants and HUD, not less than one year from the contract termination date. It is the responsibility of HUD to enforce the notification requirements of the owner. Based on the appropriate notification and at least 120 days prior to the termination date of the contract, HUD shall determine the number of occupants in place and the composition of each family and extend an invitation to the PCDC, offering the PCDC the opportunity to administer tenant-based rental assistance to the eligible families. Once the PCDC has agreed to administer tenant-based rental

assistance and issue vouchers, the existing ACC between the PCDC and HUD will require modification.

HUD shall transmit all pertinent family composition data to the PCDC. Pursuant to Title 24 CFR, Part 982, the PCDC shall utilize this information to begin the review of each family's eligibility for admission to the Tenant-Based Rental Assistance Program. As part of the determination of eligibility, the PCDC may require families to complete the following:

1. Submit a completed program application and any other required program form(s).
2. Submit any records pertinent to the determination of eligibility, i.e. identification cards, birth certificates, social security cards, proof of citizenship, proof of income, proof of assets, certification forms, affidavits, etc.
3. Attend interview with PCDC staff.
4. Attend mandatory briefing session conducted by PCDC staff (rental vouchers issued to eligible families).

Due to the severe time constraints often associated with these conversion actions, the PCDC may use the owner's most recent tenant income examinations if:

- (1) The owner's certification for the family is no more than six months old and
- (2) The PCDC determines that the owner certifications are acceptable after reviewing a small sample for accuracy.

The PCDC is not required to use the owner's certifications and may opt to conduct its own income determination and verification.

The PCDC will make every effort to have the determination of eligibility completed and the rental vouchers issued to eligible families no later than 60 days before the termination date of the contract. Once these requirements are completed the PCDC must:

1. Ensure the units selected by the families are eligible (See "Chapter 9" of this Administrative Plan).
2. Conduct Housing Quality Standards inspections for units selected by families (See "Chapter 10 of this Administrative Plan").
3. Ensure the rent is reasonable (See "Chapter 11" of this Administrative Plan).
4. Execute Housing Assistance Payments Contract with owner.

HUD encourages housing agencies to begin tasks such as certifying families and approving units before receiving the ACC funding exhibit to avoid the potential adverse impact on the families. However, the PCDC may not under any circumstances execute a Housing Assistance Payments Contract prior to receiving the notification letter and the effective date of the funding contained on the ACC funding exhibit.

Housing conversions represent a very unique opportunity for the PCDC to be proactive in safeguarding the welfare of families residing in affordable housing developments that are faced with rental increases or possible displacement. Although some actions may not be taken by the PCDC without seeking prior approval from HUD, the PCDC shall continue to be committed to providing supportive services and guidance to families that are affected by these circumstances.

X. MOVES WITH CONTINUED RENTAL ASSISTANCE

The HCV holders who elect to move into a project-based assisted unit, the HCV will be cancelled. If the family decides to relocate after 12 months, the family may be eligible for other forms of rental assistance, if funding is available.

Rental assistance under the Project-Based Voucher Program will terminate for families that vacate assisted unit during the initial term of the lease.

CHAPTER 20

SUPPORTIVE HOUSING SERVICES

INTRODUCTION

The PCDC recognizes that providing an affordable housing unit consisting of merely four walls and a roof is often times not enough. Individuals and families require a complex matrix of supportive services that will enable them to live affordably and comfortably in a stable, supportive environment. The premise of Supportive Housing Services is to create affordable decent, safe and sanitary housing that focuses on the persons who reside in the assisted unit by addressing their supportive services needs. The PCDC offers several supportive housing programs targeted to persons with special housing needs.

Several of the programs that are encompassed under the umbrella of the Supportive Housing Services provide tenant-based rental assistance. Shelter Plus Care (S+C), Housing Opportunities for People with AIDS (HOPWA), and HOME Tenant-Based Rental Assistance Program (HOME TBRA) provide rental assistance to participants at privately owned units throughout the service area. These programs and their operations, as outlined in this chapter, will follow the policies and procedures of the Housing Choice Voucher Program (HCVP) except in those areas where the Code of Federal Regulations (CFR) or this administrative plan outline a different requirement.

A. SUPPORTIVE HOUSING PROGRAMS

Family Self Sufficiency (FSS) Program [24 CFR 984.101-984.401]

The Family Self Sufficiency (FSS) Program represents a service-enriched approach to helping families leave the welfare system or low paying jobs and achieve economic self-sufficiency. The FSS Program has been designed to enable families receiving rental assistance under the HCVP to become economically independent within a five-year timeframe.

FSS is designed to empower people to take control of their lives by becoming independent, productive members of their communities. This objective is achieved

through providing the FSS program participant with comprehensive supportive services. Each FSS program participant is eligible for housing assistance, a comprehensive matrix of supportive services, an interest-bearing escrow savings account which may be utilized as a down payment on the purchase of a house, transitional resources to achieve economically independent living and/or opportunities to improve educational attainment, skill levels, and income generating abilities.

By combining rental assistance with a package of support services, the FSS Program helps families obtain the skills they need to achieve financial independence and self confidence. PCDC policies for the FSS Program are stated in the FSS Action Plan.

The PCDC will enroll 25 households chosen from current HCVP participants on a voluntary basis into its FSS program. The size of the FSS program will no longer be mandated by the increase of new HUD allocations. The size of the FSS program will decrease by one for each participant who fulfills his/her FSS obligation. As an FSS program participant leaves the program, they may be replaced with another eligible HCVP participant. The PCDC will maintain a waiting list of HCVP participants who are interested in enrolling in FSS.

Families who previously participated in the FSS program but were unable to meet the obligations of their contract will be given the opportunity to participate again if the family can demonstrate a change in circumstances that affect the likelihood of successful completion of the contract. If an FSS program participant is not able to complete their FSS contract, that participant is not entitled to any funds that have been credited to their escrow account. Section 8 rental assistance will not be terminated because an FSS program participant does not meet the obligations of their FSS contract.

If an FSS program participant does not report all income and it is discovered that this underreporting is purposeful, the participant will be terminated from the FSS program. The escrow account is forfeited and will not be credited for any portion of back rent owed due to underreporting of income.

HCVP Homeownership Program [24 CFR 982.625 and 24 CFR 982.627]

PCDC administers an HCVP Homeownership Program. The requirements for this program are as follows:

- II. Eligibility Requirements.** 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.

- I. 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.

III. 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 pre-approvals, 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.

IV. 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.

V. 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.

VI. 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.

VII. 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.

VIII. 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.

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

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.

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.

X. 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.

XI. 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.

XII. 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.

XIII. 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.

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

- e. 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.

XIV. 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.

Shelter Plus Care Program (24 CFR 582)

The primary objective of the S+C Program is to improve the lives of very low-income homeless individuals and families with mental disabilities, recovering chronic substance abusers, and/or those whom are infected with HIV/AIDS, by providing long-term affordable rental housing and a broad variety of supportive services that will enable S+C Program participants to increase independent living skills, build self confidence, and become productive members of the community. The maximum term of rental assistance under the S+C Program will be limited by funding availability.

S+C is operated by the PCDC in conjunction with a Sponsor Agency. The Sponsor Agency is required to provide or coordinate appropriate supportive services to program participants. These supportive services may be provided by the Sponsor Agency, funded by the Sponsor Agency but provided by a third party, or both funded and provided by a third party. S+C only provides funds for rental assistance. Funding for supportive services must be provided by the Sponsor Agency with funds outside of S+C. The Sponsor Agency must provide and document a match of supportive services equal to the amount provided in rental assistance.

Applicants to the S+C Program are screened for eligibility by the Sponsor Agency. This eligibility screening encompasses verification of homelessness, disability, income and assets, and family status. The application packet is then transmitted to the PCDC. The PCDC performs a criminal background check as detailed in Chapter 2 of this administrative plan and reviews the application packet to ensure that the applicant

meets the eligibility criterion for S+C. Participants in S+C are not required to complete a Declaration of 214 Status form.

An applicant who meets the eligibility criterion and passes the criminal background screening is issued a Certificate in a briefing session conducted by PCDC Supportive Housing Program staff. The Certificate holder, with the help of the Sponsor Agency, must then locate a rental unit within the City of Pasadena. As with the HCVP, the unit must pass HQS inspection before the unit can begin to be subsidized and the applicant become a participant in the S+C Program.

In cases where a S+C Program participant's name is reached on the HCVP waiting list, the S+C Program participant will be given the opportunity to select between the two programs. If the S+C Program participant selects to remain on the S+C Program and declines the HCV, their application will be withdrawn from the HCVP waiting list.

Housing Opportunities for Persons with AIDS Program [24 CFR 574.300, 574.310, 574.320]

The Housing Opportunities for Persons with AIDS (HOPWA) Program provides tenant-based rental assistance to very low-income households of individuals and families living with HIV/AIDS. The HOPWA tenant-based rental assistance program operates much the same as the HCVP but also provides case management and supportive services to HOPWA Program participants.

In addition, education and training are available to meet the specific needs of HOPWA Program participants in obtaining other services such as public benefits, private insurance and legal assistance.

The PCDC administers the HOPWA program for the cities of Pasadena and Glendale. The initial 12 months of rental assistance will be funded under the HOPWA Program. Upon the expiration of the 12 month period for each HOPWA Program participant, the PCDC will "absorb" or provide continued rental assistance to the program participants under its regular HCVP, but only for households residing within PCDC's jurisdiction and as long as the household continues to meet the eligibility requirements for ongoing rental assistance.

Before the PCDC agrees to fund the initial 12 months of rental assistance for eligible households residing in its sub-recipient's jurisdiction, the Public Housing Agency (PHA) overseeing the administration of the HCVP in the applicable jurisdiction must enter into a Memorandum of Understanding (MOU) with the PCDC whereby the PHA agrees to provide continued rental assistance under its HCVP to the HOPWA program participants residing in their jurisdiction or their surviving member of the household. The PCDC has such an MOU in place with the City of Los Angeles Housing Department, which is the recipient jurisdiction for HOPWA funds in this area.

The PCDC will also enter into a Sub-recipient Agreement with a local supportive service provider (Sponsor Agency) that has shown evidence of expertise and commitment to serving persons and their families living with HIV/AIDS. This agency is required to provide a range of supportive services to HOPWA program participants and their family members. The Sponsor Agency will be reimbursed for these services at a rate determined by the PCDC. The agency will be monitored by the PCDC through both site visits and monthly/annual reports.

Applicants to the HOPWA Program are screened for eligibility by the Sponsor Agency. This eligibility screening encompasses verification of HIV/AIDS status, income and assets, and family status. The application packet is then transmitted to the PCDC. The PCDC performs a criminal background check as detailed in Chapter 2 of this administrative plan and reviews the application packet to ensure that the applicant meets the eligibility criterion for the HOPWA Program.

An applicant who meets the eligibility criterion and passes the criminal background screening is issued a Certificate in a briefing session conducted by PCDC Supportive Housing Program staff. The Certificate holder, with the help of the Sponsor Agency, must then locate a rental unit within the Cities of Pasadena or Glendale. As with the HCVP, the unit must pass HQS inspection before the unit can begin to be subsidized and the applicant become a participant in the HOPWA Program.

HOME Tenant-Based Rental Assistance Program [24 CFR 92.209]

The overall objective of HOME Tenant-Based Rental Assistance (TBRA) is to provide rental subsidies to very low-income individuals and families with special circumstances, who reside or are employed in the City of Pasadena. Special circumstances recognized by the PCDC are: involuntarily displaced due to government action, involuntarily displaced as a result of a health or safety hazard cited by the City of Pasadena, victim of domestic violence, at risk for homelessness due to a crisis situation, and homelessness due to loss of job or other event beyond the persons' control. Applicants will be referred to the PCDC by a supportive service agency or by the City of Pasadena. Under the HOME TBRA Program, assistance is *only* for 24 months with no exceptions.

Applicants to the HOME TBRA Program will be interviewed by PCDC Supportive Housing Program Staff to ensure that the applicant meets the eligibility criterion. A criminal background check is conducted as detailed in Chapter 2 of this administrative plan.

An applicant who meets the eligibility criterion and passes the criminal background screening is issued a Coupon in a briefing session conducted by PCDC Supportive Housing Program staff. The Coupon holder must then locate a rental unit within the City of Pasadena. As with the HCVP, the unit must pass HQS inspection before the unit can begin to be subsidized and the applicant become a participant in the HOME TBRA Program.

In cases where a HOME TBRA Program participant's name is reached on the HCVP waiting listing, the HOME Program participant will be given the opportunity to select between the two programs. If the HOME Program participant selects to remain on the HOME Program and declines the HCVP Rental Voucher, their application will be withdrawn from the HCVP.

When HCVP vouchers are available, PCDC reserves the option to move HOME TBRA participants to the HCVP to ensure continuity of assistance.

Emergency Rental Assistance Deposit Program (ERAD)

The Emergency Rental Assistance Deposit Program (ERAD) provides a loan for security deposit to allow low-income households to move in to privately owned rental units. ERAD is funded with HOME Program entitlement funds administered by the City of Pasadena. A low-income household that has located a unit in the City of Pasadena may apply for security deposit assistance through ERAD. If the application for assistance is approved, a check for the security deposit amount will be sent directly to the landlord. This security deposit assistance is a loan. The ERAD participant will make monthly payments to the PCDC. When the participant vacates the unit, the participant will return any outstanding deposit monies to the City of Pasadena. Funds exist to help approximately 50 households in a Fiscal Year.

Applicants must be very low or low-income; must live, work, or go to school full time in Pasadena; and must be able to pay the ongoing rent on the selected rental unit. All applicants must complete an Application for the ERAD Program and provide all required verifications, including verification of income, bank accounts, and family status. The Application for the ERAD Program must be completed by the prospective tenant. A landlord may not apply for assistance on behalf of a tenant.

The selected rental unit must be located in the City of Pasadena, and the applicant must provide a signed lease agreement indicating security deposit and ongoing rent amounts. The property owner must be able to provide proof of ownership for the property, and provide a current Certificate of Occupancy from the City of Pasadena.

If the household is found eligible to receive ERAD funds and the required ownership and occupancy verifications are submitted, the head of household will sign an ERAD Repayment Agreement. If the household defaults on the repayment agreement, their file will be sent to collections and the default will be reported to the appropriate credit reporting agencies.

Certification

The certification process for Supportive Housing Services is consistent with the HCVP except that all initial eligibility information is secured by the Sponsor Agency. This

information is forwarded to the PCDC for review and eligibility determination. If an applicant is determined eligible, they will be given a program briefing by the PCDC consistent with the HCVP.

Annual Reexamination

The annual reexamination process for TBRA participants is also consistent with the HCVP, except Supportive Housing Program participants are asked to disclose progress pertaining to their case management and if they are securing all the services they need to achieve self sufficiency. Additionally, at the time of the annual reexamination, HOPWA Program participants are absorbed by the housing agency in the jurisdiction in which they reside. Under no circumstances may a contract be funded with HOPWA monies beyond the initial 12 month period. For those participants living outside of the PCDC jurisdiction, eligible HOPWA Program participants will have their case files ported to their respective jurisdiction for continued rental assistance.

Remaining Member of Family

Consistent with the HCVP, surviving members of HOPWA funded households will be eligible to receive continued assistance if they continue to meet program eligibility requirements.

Types of Housing

A scattered site model of housing may be used to house SHP participants. The Sponsor Agency will seek and negotiate arrangements with property owners and management agencies to lease rental units on behalf of SHP participants. The participant and/or Sponsor Agency will lease and sublease these units to the SHP participants. The units will be maintained by the program participants and/or the Sponsor Agency. All rental units must meet Housing Quality Standards (HQS) and secure a Certificate of Occupancy.

S+C Program participants will be allowed to live in group home and shared housing environments. The S+C participant must have access to bathroom and kitchen facilities. These facilities may be shared. There must also be access to living room space.

Rental Negotiation [CFR 92.209(f), 574.320, 582.305(b)]

Supportive Housing Services TBRA programs (HOPWA, S+C, and HOME) use a different formula than HCVP to determine participant rent. An HCVP participant may pay more than 30% of their adjusted income toward rent as long as it does not exceed 40% of that HCVP participant's adjusted income. However, HOPWA, S+C, and HOME TBRA programs use the Section 8 Certificate Program standard where a program participant pays no more than 30% of their adjusted income towards rent.

In the HOPWA, S+C, and HOME TBRA programs, if the gross rent proposed exceeds the payment standard, the PCDC may suggest that the owner reduce the contract rent or include some or all utilities in the contract rent. If the owner accepts the offer of a revised rent, the PCDC will continue processing the Request for Tenancy Approval (RFTA).

If the property owner is not willing to reduce or adjust the rent and the PCDC is satisfied that the requested rent meets the test of rent reasonableness, the PCDC may approve the exception rent.

If the owner does not agree on the contract rent after the PCDC has tried and failed to negotiate a revised rent, the PCDC will inform the family and owner that the RFTA and proposed lease are disapproved.

Inspection

The inspection process for Supportive Housing Services is similar to that of HCVP. Inspections will be conducted on Group Home facilities and shared housing, as well as regular bedroom sizes. As with HCVP, in addition to meeting the required HQS, a Certificate of Occupancy will also be required.

Vacancy Loss/Damage Claim [24 CFR 582.105]

Vacancy loss and damage claim will be permitted under the S+C program due to issues surrounding the special nature of the target population. As determined by HUD, vacancy payments will be permitted for a maximum of 30 days from the end of the month in which the unit is vacated.

With regard to damage claims, up to one month's contract rent will be used to pay for any damage to housing due to the action of a S+C Program participant

Termination

Supportive Housing Services participants must adhere to the same Obligations of the Family as HCVP participants. In addition, Supportive Housing Services participants must also follow a case plan and maintain a satisfactory relationship with the Sponsor Agency. Supportive Housing Services participants may be terminated for violation of the Obligations of the Family and failure to follow a case plan set out by the Sponsor Agency. If a participant's assistance is to be terminated for non-compliance with the supportive services provided by the Sponsor Agency, the PCDC will require written notification from the Sponsor Agency specifying the non-compliance.

Informal Review and Informal Hearing

Consistent with the HCVP, Supportive Housing Program participants are afforded an informal hearing in case of pending termination as outlined in Chapter 18 of this administrative plan. Both the PCDC and the Sponsor Agency can propose termination of Supportive Housing Program participants. For S+C and Continuum of Care Program participants in recovery from substance abuse, it is herewith acknowledged that the possibility of relapse is significant. If a relapse should occur, the program participant shall not be terminated given they seek rehabilitation services and re-establish an acceptable recovery program within a reasonable time period. However, repetitive relapse or excessive abuse of this provision will be cause for termination.

B. SUPPORTIVE HOUSING MANAGEMENT PLAN

Program Overview

Generally, the SHP is administered in the same manner as the HCVP with certain exceptions. More specifically, based on the objective of these programs to assist targeted low income households with special needs, additional eligibility requirements have been introduced along with the requirement for the delivery of supportive services via a sponsor agency. The specifics of each program, its process and administration are more thoroughly outlined in the Program Action Plan and Sub-recipient Agreement with the Sponsor Agencies. These documents are maintained on file in the Housing and Community Development Division Office.

Continuum of Care [CFR 583]

The Continuum of Care is designed to promote the development of supportive housing and supportive services to assist homeless persons to live as independently as possible while being supported by an array of comprehensive supportive services. The Continuum of Care consists of four components. These components are as follows:

- Outreach, Referral and Assessment
- Emergency Housing
- Transitional Housing
- Permanent Supportive Housing

SHP is a funding component of the Continuum of Care and promotes the development of supportive housing and services that help homeless individuals/families transition from homelessness.

Eligible program components for SHP are transitional housing, permanent housing for disabled individuals/families, supportive services, safe havens and innovative housing.

Eligible program activities include, acquisition, rehabilitation, new construction, leasing, operating costs and supportive services. SHP may only be used to establish new facilities or services, expand existing services, and bring existing facilities up to code. Assistance for leasing, operating and supportive service costs are available for up to three years.

The Sponsor Agency must match the funds for acquisition, rehabilitation, and new construction with at least an equal amount of cash resources from one or more of the following sources: the Sponsor Agency, the Federal government, State and local government, and private resources.

Homeless Management Information System

As part of the management of the SHP, PCDC has implemented a Homeless Management Information System (HMIS). HMIS is a networked computerized record keeping system that allows the PCDC and providers of homeless services throughout Pasadena to collect uniform client information over time. The system enables the PCDC and homeless service providers to collectively improve the quality of client services by performing several functions that will improve the delivery of services to the homeless. These functions include: **1)** decreasing duplicative intakes and assessments; **2)** streamlining referrals; **3)** coordinating case management; **4)** tracking client outcomes; and **5)** preparing financial and programmatic reports for funders. In addition, City staff will use the collected data to inform policy makers prior to planning and funding decisions on homeless issues and to address homeless issues through community-wide forums.

Supportive Service Provider/Sponsor Agency

The PCDC will select and enter into a Sub-recipient Agreement with a local supportive service provider (Sponsor Agency) that has shown evidence of expertise and commitment to serving Supportive Housing Program participants. The solicitation of Sponsor Agencies shall be through a competitive selection process, which may include a formal Request For Proposal (RFP). The selected agencies, as mandated by HUD, may be required to match in supportive services the amount of rental assistance provided a program participant. This match as well as program participant services will be monitored on a quarterly and annual basis.

Notice of Funding Availability - Request for Proposals

A Notice of Funding Availability (NOFA) or Request For Proposals (RFP) is the solicitation document that is used as part of the PCDC's competitive selection process. The NOFA/RFP stipulates the program/project activity and/or services being solicited, along with the City's contracting requirements. Generally, the NOFA/RFP will contain the following elements:

Introduction – general information about the City and the solicitation of proposals.

Funds Available – amount of readily available public funds to finance supportive housing programs, projects, activities or services and the required funding match from the proposers.

Scope of Services/Work – detailed requirements for the project, activity or services to be performed.

Proposal Contents – requested information regarding the submitted proposal and proposer including transmittal letter, project description, project budget, legal status of proposer, financial statements, experience/administrative capacity, and compliance with PCDC affirmation action/equal opportunity in contracting.

Evaluation Criteria – weighted measures for evaluating submitted proposals.

Selection Process – method and procedure by which eligible proposals will be evaluated, ranked and selected.

Federal Applications

If the PCDC is seeking federal funding from the U.S. Department of Housing and Urban Development to finance its Supportive Housing Programs, the appropriate application shall be completed in accordance with the stipulated federal requirements and submitted as a consolidated application. Applications to HUD will be submitted as follows:

To HUD Headquarters. The original completed application must be submitted to: Special Needs Assistance Programs Office, Room 7270, Office of Community Planning and Development, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410, Attention: Continuum of Care Programs.

To the Appropriate CPD Area Office. Two copies of the completed application must also be submitted to the Community Planning and Development Division of the Los Angeles HUD Area Office for the applicant's jurisdiction. Area Office copies must be received by the deadline date as well, but a determination that an application was received on time will be made solely on receipt of the application submitted to HUD Headquarters in Washington. The review and scoring will be based upon the contents of the submission received in HUD Headquarters.

Technical Submission

The HUD Continuum of Care SHP application process has two essential phases. First, PCDC submits a Consolidated Application for SHP projects on behalf of eligible organizations in response to the HUD Continuum of Care Homeless Assistance Notice

of Funding Availability (NOFA). If PCDC is successful in the competition, PCDC then completes a second phase by providing more detailed technical information not contained in the original application. The Technical Submission document contains all of the information HUD requires for the second (and final) phase prior to grant execution. All grantees, whether funded for a new SHP project, an expansion of an existing effort, or for a renewal project must complete this document. The document has exhibits, a table of contents, and project summary information.

A Technical Submission must be completed for each conditionally selected project. PCDC will fill out the exhibits that correspond to the activities in its application to HUD. PCDC will have Sponsor Agencies complete a Technical Submission for each project and submit it to PCDC when the Sponsor Agency is not PCDC. PCDC, however, is responsible for ensuring that the Area Office receives the Technical Submission by the deadline.

Grant Agreements

HUD will enter into a grant agreement with the PCDC once the Technical Submission is completed and approved.

If PCDC is awarded funding for multiple projects, a separate grant agreement shall be executed for each project, thereby accommodating projects that are ready to begin operation at varying times. Sponsor Agencies, other than PCDC, will enter into a Sub-recipient Agreement with PCDC detailing the Sponsor Agency's responsibilities for the provisions of the supportive housing program/project.

Sub-recipient Agreement

To assure quality and timely provision of supportive housing programs and services to SHP participants, the PCDC will enter into Sub-recipient Agreements with both Sponsor Agencies and nonprofit supportive service provider(s) to render the gamut of housing/services needed by the program participants. Sponsor Agencies will be selected through a competitive process. However, supportive services providers may be selected competitively by sole source based on their commitment to serving the target population, administrative and financial capacity, and longevity of service to the target population. The Sub-recipient Agreement shall be the standard form utilized by the PCDC.

Reimbursement for housing or services rendered by the Sponsor Agencies or nonprofit supportive service providers will be outlined in the Sub-recipient Agreement. The dollar amount for such services will be determined by the PCDC. The service providers participating in the S+C Program, as determined by HUD, are not entitled to funds for reimbursement, but must instead match, dollar for dollar, the amount of rental assistance with supportive services.

All Sub-recipient Agreements will, at a minimum, contain the following tenets:

- Time of Performance
- Scope of Services
- Compensation
- Program Reports
- Indemnification and Insurance

All Sub-recipient Agreements will require proof of general liability, automobile and worker compensation insurance.

Administrative Costs

The PCDC recognizes that up to 5% of any grant awarded under SHP may be spent on administrative costs for the purpose of paying costs and administering the assistance, and up to 8% of a S+C grant may be spent on administrative costs associated with administering the housing assistance. For the S+C Program, general costs of administering the grant or the supportive services are not allowable administrative costs.

The following administrative costs are eligible under SHP Grants:

- Preparation of the Annual Progress Report (APR).
- Audit of an SHP-funded program.
- Staff time spent reviewing or verifying invoices for grant funds, drawing down money, and maintaining records on the use of those funds.
- Field office training on managing the grant.

Ineligible administrative costs under SHP Grants are as follows:

- Preparation of Application/Technical Submission.
- Conferences, fundraising activities, and professional training.
- Salary of an organization's executive director, except to the extent that s/he is involved in carrying out eligible administrative functions as shown in eligible administrative costs.

The following are eligible administrative costs under the S+C Program:

- Processing rental payments to landlords.
- Examining participant income.
- Inspecting the units for HQS compliance.
- Receiving participants into the program.

Ineligible costs under the S+C Program are as follows:

- General costs of administering the grant or the supportive services.

Program Action Plan

An Action Plan detailing the general and daily policies and procedures of the Supportive Housing Programs will be maintained separate from this document. This Action Plan will be housed with the Supportive Housing Programs administrative files. Each Action Plan will contain a general program overview, program eligibility requirements, Sponsor Agency responsibilities, program participant responsibilities, PCDC responsibilities, and Sponsor Agency monitoring and reporting requirements.

Annual Progress Report (APR)

The Annual Progress Report (APR) tracks program progress and accomplishments for certain PCDC Supportive Housing Programs, specifically the homeless assistance programs.

The PCDC must submit an APR to HUD within 90 days after the end of each operating year. Failure to submit an APR will delay receiving grant funds and may result in a determination of lack of capacity for future funding. An APR must be submitted for each operating year in which HUD funding is provided. The report must be submitted to the CPD Division Director in the local HUD Field Office responsible for managing the grant.

If the PCDC receives SHP funding for new construction, acquisition, or rehabilitation the facilities are required to operate for 20 years. PCDC must submit an APR 90 days after the end of the first operating year and any year in which they use SHP funding for leasing, supportive services, or operations. For years in which they do not receive SHP funding, PCDC must submit an Annual Certification of Continued Project Operation throughout the 20 years.

A separate report must be submitted for each HUD grant received. For S+C, a separate APR must be submitted for each S+C component.

PCDC and the selected Sponsor Agencies shall collect and maintain information on each program participant in order to complete the APR. Worksheets shall be used to record information manually until a computerized system to store and tabulate the information is developed.

The APR is organized in two parts:

Part I Project Progress - Describe the progress in moving homeless persons to self-sufficiency, services received, project goals, and beds created.

Part II Financial Information - This portion of the report is completed by all Sponsor Agencies receiving funding under SHP, S+C and SRO.

Program Participant Eligibility Requirements

To participate in the Supportive Housing Programs a person must meet the applicable eligibility criteria for the program in which the family wishes to participate. Examples of the eligibility criteria are as follows:

1. Be clean and sober for a least four months.
2. Homeless (i.e. residing either in places not meant for human habitation, an emergency shelter, being released from a rehabilitation, psychiatric, or transitional facility with evidence of no place to reside after release).
3. Very low income.
4. Pasadena resident.
5. Willingness to participate in case management services.
6. Diagnosed with HIV/AIDS.
7. Glendale Resident.
8. Be referred by the Sponsor Agency.

To determine eligibility, applicants must provide verification of homeless status, income, vital statistics documents, and other program-specific eligibility requirements including HIV/AIDS status, mental health status, substance abuse/sobriety status, and linkage to a supportive service provider that maintains a Sub-recipient Agreement with the PCDC.

Program Participant Outreach

The Sponsor Agency, as mandated by HUD, is required to outreach to the community at large and other agencies to inform them of the availability of rental assistance under the Supportive Housing Program. The outreach methodology may take the form of mass mailings, announcements in local newspaper, and posting flyers in public and community agencies.

Waiting List

The maintenance of a waiting list for the Supportive Housing Programs is conducted by the designated Sponsor Agency. Placement on the waiting list is determined by the above referenced eligibility requirements and chronology. The waiting list will be checked periodically by the PCDC to determine accuracy and fairness in the ranking.

Referral

An applicant for S+C and HOPWA must be referred by the designated Sponsor Agency. Independent applicants will not be processed by the PCDC, but will be referred to the Sponsor Agency.

HOME TBRA applications must be referred by a Sponsor Agency, the City of Pasadena, or a recognized supportive service agency.

Supportive Services

The objective of rendering supportive services will be to assist Supportive Housing Program participants to achieve the following milestones: **1)** residential stability; **2)** greater self-determination; and **3)** increased skills and income.

Supportive services provided to Supportive Housing Program participants include, but are not limited to the following:

1. Case Management
2. Substance Abuse Recovery Counseling
3. Health Care - Referrals and advocacy to meet home care and medical needs, attendant care, respite care, insurance and physician advocacy, emotional support
4. Mental Health - Individual and family counseling, support groups, psychiatric and psychological services
5. Substance Abuse - Treatment, counseling, and support networks
6. Medical Screening
7. Psycho-social and Vocational Services
8. Advocacy/Education
9. Art and Recreation Activities
10. Crisis Intervention.

In addition, the services that may be provided under the FSS program include but are not limited to the following:

1. Child Care
2. Transportation
3. Remedial education
4. Education for completion of high school
5. Post secondary education
6. Job training, preparation and placement
7. Treatment and counseling for substance and alcohol abuse
8. Training in parenting skills, financial management and household management
9. Counseling about rental and home ownership opportunities in the private market
10. Other services necessary to help families become self sufficient

Grant Closeout

In order to ensure that major program requirements have been met and that any remaining grant funds are recaptured, the PCDC will use the following procedures to close out grants for the SHP and S+C.

The following steps must be completed:

1. PCDC will verify that all eligible grant activities have been completed and incurred costs for such activities have been paid, except for (a) funds drawn down by the grantee and held for payment of final audit costs, where applicable, and (b) any disputed third party claims.
2. PCDC will contact the HUD field office so that the field office may verify that PCDC has satisfied its performance under the grant agreement and that there is no further need to keep the grant agreement open in order to secure performance.
3. PCDC will submit all financial, performance, and other reports required by the terms and conditions of the grant within 90 calendar days after grant expiration. If requested by PCDC, HUD may approve reasonable time extensions for submitting these reports. At a minimum, the following reports will be submitted:

- a) Final Annual Progress Report (APR).
- b) An inventory of any real property and equipment purchased with grant funds.
- c) A copy of the appropriate "Grantee Closeout Certification" signed by the Housing and Community Development Administrator and approved by the HUD Community Planning & Development Division Director or designee. An executed copy of the certification will be returned to PCDC by HUD as evidence that the grant has been closed out.

C. MONITORING

The PCDC's overall strategy for achieving its SHP goals and objectives is to make the most effective use of available resources to address the identified priority needs. The monitoring of each funded project and sub-recipient, as identified below, shall be the primary vehicle for the PCDC to ensure the effective use of these resources as well as long-term compliance with all program requirements.

General Overview

Monitoring of the sub-recipients granted Family Self Sufficiency, Housing Opportunities for Person with AIDS, S+C, HOME Tenant-Based Rental Assistance, and SHP funding shall be conducted on an annual basis. It is an ongoing process of planning, implementation, and follow-up. Monitoring is used as a tool to avoid problems and improve performance. The PCDC also views monitoring as a method of facilitating communication and building strong relations with the sub-recipients.

The following monitoring procedures will be used by the PCDC.

I) Risk Analysis

Effective in FY 2003, the City will perform an annual risk analysis on all project sponsors. The risk analysis will serve as an assessment tool to determine the type of monitoring that will be required for the project sponsor.

II) Compliance Monitoring

Monitoring Reviews

Monitoring reviews are conducted by both the Housing and Community Development Division and Finance Department of the City. The Housing Division conducts program reviews and the Finance Department conducts fiscal reviews. Reviews will be based on an annual risk analysis that is performed for each SHP contract.

1) Program Reviews:

These reviews consist of onsite monitoring reviews as well as desk reviews. The onsite review is conducted as follows:

The onsite monitoring process begins with a phone call from the program coordinator to the project sponsor explaining the purpose of the monitoring visit and arranging for a mutually convenient date for the visit. The contract specialist then sends a formal notification letter that confirms the date and time and specifies the scope of the monitoring. The monitoring tool used to review the program is also attached to the notification letter.

Before the monitoring review begins, the program coordinator will conduct an entrance conference with the project sponsor. This conference will ensure that the project sponsor has a clear understanding of the purpose, scope, and schedule of the monitoring from the outset. The monitoring will primarily focus on the following areas: compliance review, documentation of homelessness, progress in achieving program goals, rent calculation when applicable, and documentation of services provided.

2) Fiscal Reviews:

Prior to scheduling, a mutually convenient time is agreed upon by the City fiscal monitor and the appropriate project sponsor personnel. A letter is sent confirming the appointment and listing the documentation that should be available on that date. Four Internal Control Questionnaires to be completed by the project sponsor are included with the letter. These questionnaires include **1) General Fiscal Management, 2) Cash Disbursement, 3) Payroll, and 4) Cash Receipts.**

The scope of the review is tailored to the contract. General procedures include the following:

- Interviews with agency management and fiscal personnel to obtain an understanding of the accounting controls and procedures used.
- Review of the sponsor's written accounting policies and observation of procedures followed by staff.
- Review of past audit reports noting weaknesses, if any, and ensure compliance with OMB A-133.
- Ensuring that APRs have been completed.

Monitoring Reports

1) Program Reports:

At the end of the monitoring visit, the program coordinator conducts an exit conference with the appropriate project sponsor staff to present the preliminary conclusions of the monitoring. The official monitoring report will be sent within 30 days of the last date of the onsite review. This report will:

1. describe the scope of the monitoring,
2. identify any deficiencies,
3. cite any program regulations or applicable requirements that have been violated,
4. specify any corrective action that must be taken, and
5. include a deadline for correcting any deficiency.

2) Fiscal Reports:

Potential findings are discussed with project sponsors as soon as possible, preferably prior to completion of the review. Results of the review are documented and the final report is typically issued within 60 days. The report cites any deficiencies and may include the necessary corrective action. Project sponsors are required to respond to the findings within 30 days, and to submit their corrective action plan to the city for review and approval.

a. Compliance Monitoring

In order to increase contract compliance, the City is continuing implementation of the following program and fiscal measures:

1. Training sessions for new project sponsors are given by fiscal and program personnel prior to the operating start date of the grant.
2. Meetings are being held with project sponsors at least quarterly. These meetings focus on technical assistance to the project sponsors based on specific issues or problems that the sponsors are experiencing.
3. In addition to the quarterly meetings, project sponsors are provided technical assistance upon request and with initiation of city staff if specific problems are discovered.
4. Project sponsors submit progress reports with each disbursement request.
5. Each SHP contract is monitored by fiscal staff once a year. In addition, between onsite reviews, fiscal staff performs limited desk reviews where specific documentation is required to support cost claims as submitted.

III) Tracking Corrective Actions Stipulated in Monitoring Reports

Program and Fiscal Issues

In order to ensure that the deficiencies identified in the monitoring report are corrected within the specified timeframe, the City uses the following procedures to track the project sponsor's response:

1. When a monitoring report is issued, program staff log the date into a database to track corrective action due dates and pending issues.
2. If the project sponsor responds within the time frame provided and provides documentation of corrections made, a desk review is conducted and a follow-up report is issued clearing the deficiencies. A follow up site visit is conducted within 60 days to verify compliance.
3. If the project sponsor does not respond by the due date stated in the monitoring report, the program coordinator calls the project sponsor. If the project sponsor does not respond within 5 business days of the call, a written notification of delinquency is issued.
4. If the sponsor is still unresponsive, the City pursues the remedies specified in its contract with the project sponsor. Such remedies include, but are not limited to, probation, temporary suspension, non-renewal for the program year, and termination.

Questioned and Disallowed Costs

The following procedures will be used in the event that through monitoring, disallowed costs are discovered:

1. If the project sponsor has disallowed costs and the contract is still active, the City will enter into a repayment plan with the sponsor. Until a repayment plan is executed, no new invoices from the sponsor will be paid. The City will notify the field office of any such agreement within 15 days of a repayment schedule being executed. Any refund of disallowed costs is due and owing 30 days from the date upon which the City notified the project sponsor of the disallowance.
2. If the project sponsor fails to refund any disallowed cost within the 30 day period, the City may terminate any and all contracts or agreements with the sponsor. Upon termination, the City will pursue appropriate legal action to collect the funds.

CHAPTER 21

CONSOLIDATED ANNUAL CONTRIBUTION CONTRACT

INTRODUCTION

The U.S. Department of Housing and Urban Development (HUD) annually allocates budget authority for the tenant-based rental assistance to HUD field offices based on U.S. Congressional authorization and appropriations. Section 213(d) of the HCDA of 1974 establishes the requirements for the allocation of funding to assisted housing authorities/housing agencies. Budget authority subject to allocation under Section 213(d) is allocated in accordance with 24 CFR Part 791, Subpart D. The PCDC receives, and must comply, under the aforementioned provisions for the funding of its federal Rental Assistance Programs (RAP). This Chapter outlines the requirements, procedures, and process the PCDC shall utilize to retain its RAP funding.

A. ANNUAL CONTRIBUTION CONTRACT [24 CFR 982.151]

The Annual Contribution Contract (ACC) is a written contract between HUD and the PCDC. Under the ACC, HUD agrees to make payments to the PCDC, over a specified term, for housing assistance payments to owners and for the PCDC's administrative fee. The ACC specifies the maximum payment over the ACC term. The PCDC agrees to administer the program in accordance with HUD regulations and requirements.

HUD's commitment to make payments for each funding increment in the PCDC program constitutes a separate ACC. However, commitments for all the funding increments in the PCDC's program are listed in one consolidated contractual document called the Consolidated Annual Contributions Contract (Consolidated ACC). The Single Consolidated ACC covers funding for the PCDC's RAP.

B. BUDGET AUTHORITY AND CONTRACT AUTHORITY [24 CFR 982.151(b)]

Budget authority is the maximum amount that may be paid by HUD to the PCDC over the ACC term of a funding increment. Contract authority is the maximum annual payment for the funding increment. Budget authority for a funding increment is equal to contract authority times the number of years in the increment term.

For each funding increment, the ACC specifies the term over which HUD will make payments for the PCDC's program, and the amount of available budget authority for the funding increment. For a given PCDC fiscal year, the amount of HUD's maximum

annual payment for the PCDC program equals the sum of the contract authority for all of the funding increments under the Consolidated ACC. However, this maximum amount does not include contract authority for an expired funding increment. If the term of a funding increment expires during the PCDC's fiscal year, this maximum amount only includes the pro-rata portion of contract authority for that portion of the PCDC's fiscal year prior to expiration. However, the amount to be paid must be approved by HUD, and may be less than the maximum payment.

Additional budget authority is also distributed by a competitive process. HUD solicits applications from housing authorities/housing agencies by publishing one or more notices of funding availability (NOFA) in the Federal Register. The NOFA explains how to apply for assistance, and specifies the criteria for awarding the assistance. The NOFA may identify any special program requirements for use of the funding. For competitive funding under a NOFA, the applications must be submitted by PCDC in accordance with the requirements of the NOFA and/or other HUD instructions.

C. BUDGET AND EXPENDITURES [24 CFR 982.157]

Each fiscal year, the PCDC must submit its proposed budget for the RAP to HUD for approval at such time and in such form as required by HUD. HUD payments under an ACC or Consolidated ACC, and any other amounts received by the PCDC in connection with the program, must be used in accordance with the PCDC HUD-approved budget. Such HUD payments and other receipts may only be used for:

1. Housing Assistance Payments;
2. PCDC Administrative Fees.

The PCDC must maintain a system to ensure that the PCDC will be able to make housing assistance payments for all participants within the amounts contracted under the Consolidated ACC.

D. HOUSING ASSISTANCE PAYMENTS

Housing Assistance Payments (HAP) are paid to the owner in accordance with the terms of the HAP contract for units under lease with an eligible participant family. HAP may only be paid to the owner during the lease term, and while the family is residing in the unit.

The PCDC will determine the amount of the HAP for each family participating in the program and make timely HAP to the owner in accordance with the HAP contract.

The PCDC shall administer and enforce the HAP contract with the owner, including taking appropriate action, as determined by the PCDC in accordance with this Administrative Plan, if the owner defaults.

E. ADMINISTRATIVE FEES [24 CFR 982.152]

HUD may approve administrative fees to the PCDC for any of the following purposes including:

1. Ongoing administrative fee: The PCDC's ongoing administrative fee is paid for each unit month for which a dwelling unit is under HAP contract on the first day of the month. The amount of the ongoing fee is established by HUD;

HUD may reduce or offset any administrative fee to the PCDC, in the amount determined by HUD, if the PCDC fails to perform PCDC's administrative responsibilities correctly or adequately under the program;

2. Preliminary fee: The preliminary fee is paid by HUD for each new unit added to the PCDC program. The preliminary fee is a one time fee for each new unit supported by a new funding increment. HUD establishes the maximum preliminary fee;

The preliminary fee is used to cover expenses that the PCDC documents it has incurred to help families who inquire about or apply for the program, to lease up new units, or to pay for family self-sufficiency (FSS) program activities;

3. Cost to help families who experience difficulty finding or renting appropriate housing;
4. Cost to cover necessary additional expenses incurred by the PCDC to provide reasonable accommodation for persons with disabilities;
5. Cost to coordinate supportive services for families participating in the FSS program;
6. Cost of audit by an independent public accountant;
7. Other extraordinary cost determined necessary by HUD Headquarters.

F. ANNUAL CONTRIBUTION CONTRACT RESERVE ACCOUNT [24 CFR 982.154]

HUD establishes and maintains an unfunded reserve account, called the ACC reserve account (formerly "project reserve") for the PCDC's program from available budget authority under the consolidated ACC. The amount in the ACC reserve account is determined by HUD.

At the end of each PCDC fiscal year, HUD credits the ACC reserve account from the amount from the amount by which the sum of contract authority for all funding increments under the Consolidated ACC (maximum annual payment) exceeds the amount actually approved and paid for the PCDC fiscal year.

HUD may approve additional payments for the PCDC program from available amounts in the ACC reserve account.

G. ADMINISTRATIVE FEE RESERVE [24 CFR 982.155]

The PCDC must maintain an administrative fee reserve (formerly "operating reserve") for the program. There are separate administrative fee reserve accounts for the PCDC's RAP. The PCDC must credit to the administrative fee reserve the total of the amount by which program administrative fees paid by HUD for the PCDC fiscal year exceed the PCDC program administrative expenses for the fiscal year, plus interest earned on the administrative fee reserve.

The PCDC must use funds in the administrative fee reserve to pay program administrative expenses in excess of administrative fees paid by HUD for a PCDC fiscal year. If funds in the administrative fee reserve are not needed to cover PCDC administrative expenses, the PCDC may use these funds for other housing purposes permitted by State and local law. However, HUD may prohibit use of the funds for certain purposes.

The PCDC establishes twenty-five thousand **(\$25,000)** as the maximum amount that may be charged against the administrative fee reserve without specific approval.

If the PCDC has not adequately administered any RAP, HUD may prohibit use funds in the administrative fee reserve, and may direct the PCDC to use funds in the reserve to improve administration of the program or to reimburse ineligible expenses.

H. PROGRAM FUNDS DEPOSITARY [24 CFR 982.156]

Unless otherwise required or permitted by HUD, all program receipts must be promptly deposited with Bank of America, the financial institution selected as depository by the PCDC in accordance with HUD requirements. The PCDC has entered into the appropriate agreement with Bank of America in the form required by HUD.

The PCDC may only withdraw deposited program receipts for use in connection with the program in accordance with HUD requirements.

If required under a written freeze notice from HUD to the depository:

1. The depository may not permit any withdrawal by the PCDC of funds held under the depository agreement unless expressly authorized by written notice from HUD to depository; and
2. The depository must permit withdrawals of such funds by HUD.

HUD must send the PCDC a copy of the freeze notice from HUD to the depository.

I. PROGRAM ACCOUNTS AND RECORDS [24 CFR 982.158]

The PCDC must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. The records must be in the form required by HUD, including requirements governing computerized or electronic forms of record keeping.

The PCDC must furnish to HUD accounts and other records, reports, documents and information, as required by HUD. The provisions for electronic transmission of required family data shall be in accordance with 24 CFR Part 908.

HUD and the Comptroller General of the United States shall have full and free access to all PCDC offices and facilities, and to all accounts and other records of the PCDC including the right to examine or audit the records, and to make copies. The PCDC must grant such access to computerized or other electronic records, and to any computers, equipment or facilities containing such records, and shall provide any information or assistance needed to access the records.

J. AUDIT REQUIREMENTS [24 CFR 982.159]

The PCDC must engage and pay an independent certified public accountant to conduct audits in accordance with HUD requirements. The PCDC is subject to the audit requirements in 24 CFR Part 44.