

PHA Plans

Streamlined Annual Version

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

OMB No. 2577-0226
(exp. 08/31/2009)

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937 that introduced 5-year and annual PHA Plans. The full PHA plan provides a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission and strategies for serving the needs of low-income and very low-income families. 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 (High Performance)

Annual PHA Plan for Fiscal Year: 200 8-2009

PHA Name: PASADENA COMMUNITY DEVELOPMENT COMMISSION (PCDC)

NOTE: This PHA Plan template (HUD-50075-SA) is to be completed in accordance with instructions contained in previous Notices PIH 99-33 (HA), 99-51 (HA), 2000-22 (HA), 2000-36 (HA), 2000-43 (HA), 2001-4 (HA), 2001-26 (HA), 2003-7 (HA), and any related notices HUD may subsequently issue.

Streamlined Annual PHA Plan Agency Identification

PHA Name: Pasadena Community Development Commission (PCDC)

PHA Number: CA 079

PHA Fiscal Year Beginning: July 2008

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 (if available): **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 Street, (626) 744-4052
- Allendale - 1130 S. Marengo Ave., (626) 799-2519
- Hastings - 3325 Orange Grove Blvd., (626) 792-0945
- Hill Avenue - 55 S. Hill Ave., (626) 796-1276
- Lamanda Park - 140 S. Altadena Drive, (626) 793-5672
- La Pintoresca - 1355 N. Raymond Ave., (626) 797-1873
- Linda Vista - 1281 Bryant Street, (626) 793-1808
- San Rafael - 1240 Nithsdale Road, (626) 795-7974

- Santa Catalina – 999 E. Washington Blvd., (626) 794-1219

Other

Pasadena City Clerk's Office
100 North Garfield Avenue
Pasadena, CA 91101

Community Facilities:

- Jackie Robinson Center – 1020 North Fair Oaks, (626) 791-7983
- Villa-Park Neighborhood Center – 363 East Villa, (626) 744-6530
- Pasadena Senior Citizens Center – 85 East Holly, (626) 795-4331
- Victory Park Center – 2575 Paloma, (626) 798-0865
- El Centro de Accion Social, Inc.- 37 East Del Mar (626) 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 2008-2009
[24 CFR Part 903.12(c)]

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[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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B – City of Pasadena, Single Audit (Year ended June 30, 2007)

C – Resident Advisory Board

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Chapter 2 – Eligibility for Admission

Chapter 3 – Applying for Admission

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Chapter 21 – Consolidated Annual Contribution Contract

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.

Streamlined PHA Plan PHA Certifications of Compliance

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

PHA Certifications of Compliance with the PHA Plans and Related Regulations: Board Resolution to Accompany the *Streamlined Annual PHA Plan*

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the streamlined Annual PHA Plan for PHA fiscal year beginning July 1, 2008, hereinafter referred to as the Streamlined Annual Plan, of which this document is a part and make the following certifications, agreements with, and assurances to the Department of Housing and Urban Development (HUD) in connection with the submission of the Streamlined Plan and implementation thereof:

1. The streamlined Annual Plan is consistent with the applicable comprehensive housing affordability strategy (or any streamlined Plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, and provided this Board or Boards an opportunity to review and comment on any program and policy changes since submission of the last Annual Plan.
3. The PHA made the proposed streamlined Annual Plan, including policy and program revisions since submission of the last Annual Plan, and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the streamlined Plan and invited public comment.
4. The PHA will carry out the streamlined Annual Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
5. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
6. For streamlined Annual Plans that include a policy or change in policy for site-based waiting lists:
The PHA regularly submits required data to HUD's MTCS in an accurate, complete and timely manner (as specified in PIH Notice 99-2);
 - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
 - Adoption of site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
 - The PHA shall take reasonable measures to assure that such waiting list is consistent with affirmatively furthering fair housing;
 - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(b)(2).
7. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
8. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
9. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968,

Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.

10. The PHA has submitted with the streamlined Plan a certification with regard to a drug-free workplace required by 24 CFR Part 24, Subpart F.

11. The PHA has submitted with the streamlined Plan a certification with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

12. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

13. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).

14. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.

15. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.

16. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.

17. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.

18. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).

19. The PHA will undertake only activities and programs covered by the streamlined Annual Plan in a manner consistent with its streamlined Annual Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its streamlined Plan.

20. All certifications and attachments (if any) to the streamlined Plan have been and will continue to be available at all times and all locations that the PHA streamlined Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the streamlined Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its streamlined Annual Plan and will continue to be made available at least at the primary business office of the PHA.

21. The PHA certifies that the following policies, programs, and plan components have been revised since submission of its last Annual PHA Plan (check all policies, programs, and components that have been changed):

- 903.7a Housing Needs
- 903.7b Eligibility, Selection, and Admissions Policies
- 903.7c Financial Resources
- 903.7d Rent Determination Policies
- 903.7h Demolition and Disposition
- 903.7k Homeownership Programs
- 903.7r Additional Information
 - A. Progress in meeting 5-year mission and goals
 - B. Criteria for substantial deviation and significant amendments
 - C. Other information requested by HUD
 - 1. Resident Advisory Board consultation process
 - 2. Membership of Resident Advisory Board
 - 3. Resident membership on PHA governing board

22. The PHA provides assurance as part of this certification regarding its streamlined annual PHA Plan that:

(i) The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;

(ii) The changes were duly approved by the PHA board of directors (or similar governing body); and

(iii) The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours.

Pasadena Community Development Commission
PHA Name

CA 079
PHA Number

Streamlined Annual PHA Plan for Fiscal Year: 2008-2009

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
BERNARD K. MELEKIAN	CHIEF EXECUTIVE OFFICER
Signature	Date
X	

Certification of Payments to Influence Federal Transactions

U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

form HUD 50071 (3/98)

Previous edition is obsolete ref. Handbooks 7417.1, 7475.13, 7485.1, & 7485.3

Applicant Name

Program/Activity Receiving Federal Grant Funding

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

The undersigned certifies, to the best of his or her knowledge and belief, that:

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.

(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official Title

Signature Date (mm/dd/yyyy)

OMB Approval No. 2577-0157 (Exp. 3/31/2010)

DISCLOSURE OF LOBBYING ACTIVITIES Approved by OMB Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352 0348-0046 (See reverse for public burden disclosure.) **1. Type of Federal Action: 2. Status of Federal Action: 3. Report Type:** a. contract a. bid/offer/application a. initial filing b. grant b. initial award b. material change c. cooperative agreement c. post-award **For Material Change Only:** d. loan year _____ quarter _____ e. loan guarantee date of last report _____ f. loan insurance **4. Name and Address of Reporting Entity: 5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:** Tier _____, if known: **Congressional District**, if known: **Congressional District**, if known: **6. Federal Department/Agency: 7. Federal Program Name/Description:** CFDA Number, if applicable: _____ **8. Federal Action Number**, if known: **9. Award Amount**, if known: \$ **10. a. Name and Address of Lobbying Registrant b. Individuals Performing Services** (including address if (if individual, last name, first name, MI): different from No. 10a) (last name, first name, MI): **11. Signature:** Print Name: Title: Telephone No.: _____ Authorized for Local Reproduction Standard Form LLL (Rev. 7-97) Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. required disclosure shall be subject to a not more than \$100,000 for each such failure. **Prime Subawardee Federal Use Only: Date:** who fails to file the Any person \$10,000 and than civil penalty of not less

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether sub awardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

2. Identify the status of the covered Federal action.

³ Identify the appropriate classification of this report. If this is a follow up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.

4.

Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or sub award recipient. Identify the tier of the sub awardee, e.g., the first sub awardee of the prime is the 1st tier. Sub awards include but are not limited to subcontracts, sub grants and contract awards under grants.

5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.

6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.

7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

⁸ Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."

9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.

10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).

11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

1. 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? 2

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 purposes 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.

2. 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

3. 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	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	Housing Authority Mutual Aid Network	Inter Agency Disaster Response
X	Violence Against Women and and Justice Department Act	Administrative Plan

ATTACHMENTS

Attachment A – Housing and Community Development Organizational Chart

Attachment B – City of Pasadena, Single Audit (Year ended June 30, 2007)

Attachment C – Resident Advisory Board

Attachment D – Resident Advisory Board Comments

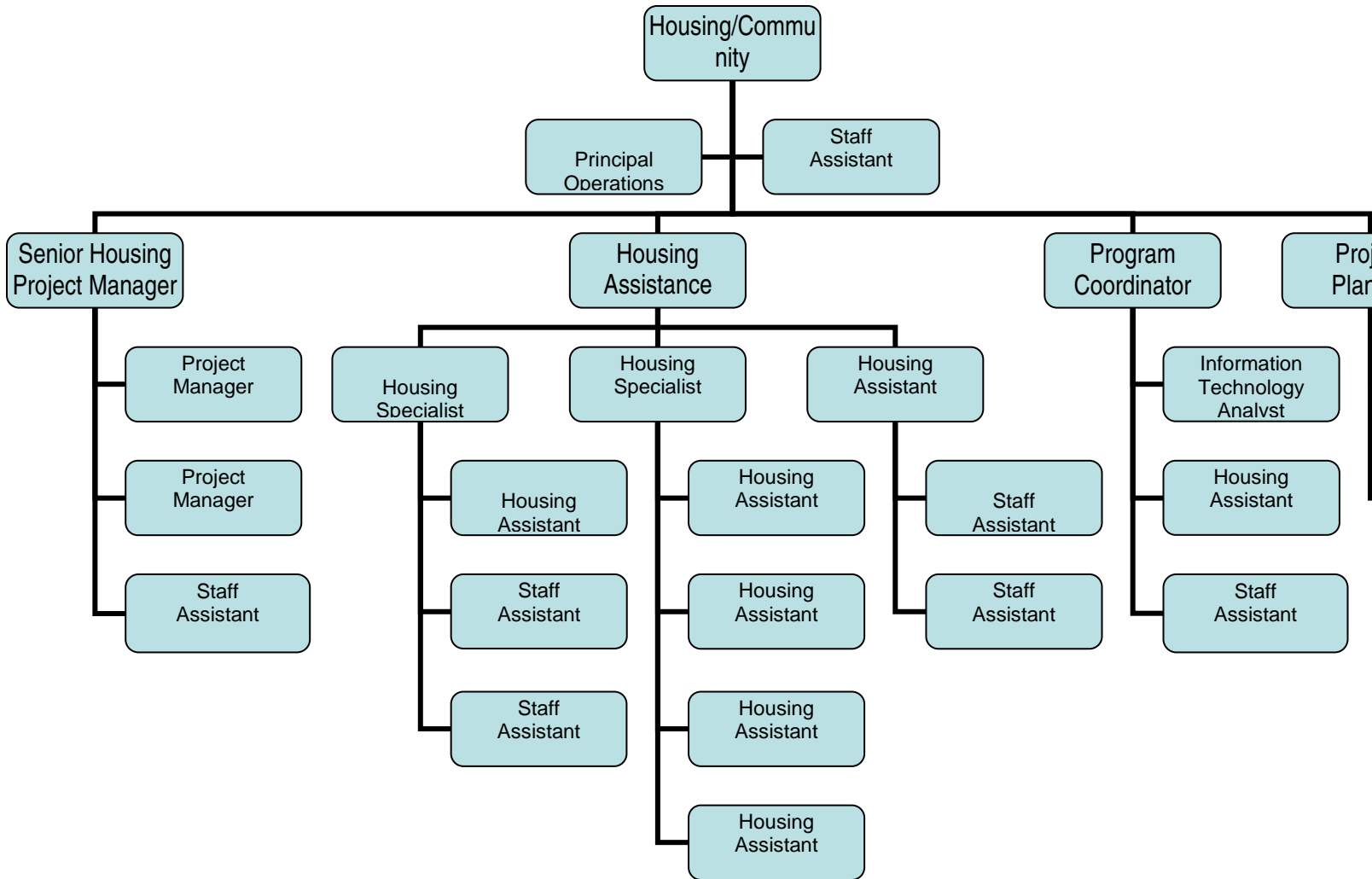
Attachment E – Public Hearing Comments

Attachment F – Public Notices

Attachment G – Administrative Plan Amendments

ATTACHMENT "A"

HOUSING AND COMMUNITY DEVELOPMENT ORGANIZATIONAL CHART



ATTACHMENT "B"

CITY OF PASADENA

SINGLE AUDIT (YEAR ENDED JUNE 30, 2007)

CITY OF PASADENA
Single Audit Report on Federal Awards
Year ended June 30, 2007

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Mayer Hoffman McCann, P.C.
An Equal Opportunity Firm
General Accounting Services Division
2500 Newport Drive, Suite 200
Irvine, California 92614
(949) 454-2000 ext.
(949) 900-8800 fax
www.mhm.com

Honorable Mayor and City Council
City of Pasadena, California

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the City of Pasadena, California (City) as of and for the year ended June 30, 2007, and have issued our report thereon dated November 26, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Pasadena's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. Matters conforming to this definition are described in the accompanying schedule of findings and questioned costs as items 07-1, 07-2 and 07-3.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Honorable Mayor and City Council
City of Pasadena, California
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City of Pasadena's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City of Pasadena's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of City management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mayor Holloman 1/26/09 12:11

Irvine, California
November 26, 2007



Wayne McPherson, President, NISC
An Independent 501(c)(3)
National Intergovernmental Services Center
2301 Dupont Drive, Suite 200
Irvine, California 92612
949-474-2020 or
949-263-6520 fax
www.nisc.org

Honorable Mayor and City Council
City of Pasadena, California

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE AND ON
THE SCHEDULE OF FEDERAL AWARDS IN ACCORDANCE WITH OMB
CIRCULAR A-133**

Compliance

We have audited the compliance of City of Pasadena with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The City of Pasadena's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Pasadena's management. Our responsibility is to express an opinion on the City of Pasadena's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Not-For-Profit Organizations*. Those standards and OMB Circular A-133 require that we also aud perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Pasadena's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Pasadena's compliance with these requirements.

In our opinion, the City of Pasadena complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the City of Pasadena is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Pasadena's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the City of Pasadena's internal control over compliance.

Honorable Mayor and City Council
City of Pasadena, California
Page Two

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures and Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pasadena as of and for the year ended June 30, 2007, and have issued our report thereon dated November 26, 2007. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City of Pasadena's basic financial statements. The accompanying schedule of expenditures of federal awards and the supplementary information included in Schedule A-1 is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of City management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

Wynne J. Moore, CPA

Irvine, California
November 26, 2007

CITY OF PASADENA
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2007

	Federal Disposals Ass. of Dev Number	Program Identification Number	Program Funds/Grants	Amount Provided to Subrecipients
Department of Housing and Urban Development				
Direct Assistance:				
Community Development Block Grant (Funds)	14.114	999	\$ 3,377,333	1,903,918
Section 108 Loan - For Groves Shopping Center	14.134	999	210,000	-
Section 108B Emergency and Small Object Funds			1,000,000	1,000,000
Section 8 Rental Voucher Program	14.800	1.000-9900	10,000,000	-
Emergency Shelter Grant Program	17.211	999	90,000	90,000
Supportive Housing	17.235	999	1,011,000	1,011,000
Mobile Home Care	17.238	999	60,000	-
Home Improvement/Accessible Housing	17.239	999	1,000,000	1,000,000
Total direct assistance			15,818,333	4,004,918
Passed through Federal Grants:				
Supportive Housing	14.741	10220000-705	50,000	-
Passed through the City of Los Angeles:				
Home Opportunities for Persons with AIDS	4.247	198702	50,000	-
Total Department of Housing and Urban Development			15,892,179	4,995,718
Department of Labor				
Passed through the State of California:				
Workforce Investment Act - Adult	17.215	Various	940,600	700,000
Workforce Investment Act - Youth	17.219	Various	692,290	100,000
Workforce Investment Act - Dislocated Workers	17.260	Various	500,000	500,000
Workforce Investment Act - Rapid Response	17.260	Various	611,000	-
Workforce Investment Act - State Youth	17.267	Various	261,400	252,100
Workforce Investment Act - Economic Grants	17.267	Various	200,000	-
Passed through the County of Los Angeles:				
Workforce Investment Act - Adult	17.215	Various	98,100	10,000
Workforce Investment Act - Youth	17.219	Various	70,400	70,000
Workforce Investment Act - Dislocated Workers	17.260	Various	90,000	11,500
Total Department of Labor			3,124,400	624,600

Major program
 N/A - not available

(Continued)

See accompanying notes to the schedule of expenditures of Federal awards.

CITY OF PASADENA
 Schedule of Expectations of Federal Awards
 (Continued)

	Total Federal Assistance Number	Program Identification Number	Program Expenditures	Amount Provided by Subrecipients
Department of Health and Human Services				
Passed through the State of California				
Department of Health Services				
Maternal and Child Health Services Block Grant	98,994	766661	767,868	-
Center for Disease Control and Prevention TB Control	95,285	TD CS07-90-76	1,359	-
Child Health Development Program - Foster Care	93,658	79	47,524	-
Child Lead Poison Prevention	93,197	95-600779	51,121	-
Early Periodic Screening, Diagnosis and Treatment - Administrative	93,779	79	148,960	-
Medi-Cal Administrative Claiming	93,038	94-5713	187,229	-
Heroin/Alcohol and Tobacco Abuse	93,768	93-15761-09-85284	57,697	-
Healthy Community Access Program - HCAP	93,252	U-621906-91-80	561,914	-
ALB Drug Assistance Program - ADAP	93,917	74	8,110	-
Childless Children - Enrollment, Prevalence, and Utilization	93,775	97-600611	19,432	-
Passed through the County of Los Angeles				
Alcohol and Drug Abuse/Mental Health				
Services Block Grant	93,887	Various	144,224	-
ALB-HIV Early Intervention	93,913	0269212	798,289	10,000
Total Department of Health and Human Services			2,699,488	10,000
Department of Justice				
Direct Assistance				
Asset Forfeiture	7,666	CA 1955	52,579	-
Local Law Enforcement Block Grants Program	14,793	2556 DD BS 0215	14,877	-
Community Oriented Policing Services Grant	150,000	Various	783,788	-
Passed through the State of California Department of Criminal Justice and Planning				
Elder Abuse and Advocacy and Outreach Program - VIOGA Grant	16,575	EA 0-07982	98,600	10,000
Total Department of Justice			4,114,844	10,000
Department of Treasury				
Direct Assistance				
Asset Forfeiture	21,600	CA 1955	1,141	-
Total Department of Treasury			1,141	-
Major program				
2007 not available				10,000
See responsibility center in the schedule of expenditures of Federal awards.				

CITY OF PASADENA
 Schedule of Expenditures of Federal Awards
 (Continued)

	Federal Domestic Assistance Number	Project Identification Number	Program Expendure	Amount Provided in Budgetary
Engagement of Agriculture				
Passed through the State of California Department of Health Services Statewide Food Program for Women, Infants and Children (WIC)				
	10157	07-15781	688,419	-
	Total Department of Agriculture		<u>688,419</u>	-
Department of Transportation				
Passed through the California Department of Transportation				
	20105	Various	9,214,000 *	-
	20115	8AG153127-10	22,700	-
	20160	Various	<u>370,244</u>	-
	Total Department of Transportation		<u>9,606,944</u>	-
Department of Human Services				
Passed through the County of Los Angeles				
	91105	Various	1,150,000 *	-
	91308	Various	682,381	-
	91317	2000-1-00PSA0187-86390	730,000	-
	91346	047-56800	114,377	-
	91378	2005-018-71495	<u>43,000</u>	-
	Total Department of Human Services		<u>2,679,758</u>	-
	Total Expenditures of Federal Awards		<u>\$ 12,993,096</u>	<u>3,527,367</u>

* This program
 amount available

See accompanying notes for the details of expenditures of federal awards.

CITY OF PASADENA

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

(1) Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

(a) Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the City of Pasadena that are reimbursable under the programs of federal agencies providing financial assistance. For the purposes of this schedule, financial assistance includes both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the City from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds are reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

(b) Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the City becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program.

(c) Subrecipients

During the fiscal year ended June 30, 2007, the City disbursed \$8,577,367 to subrecipients to be used for the federally allowable expenditures in accordance with the grant agreements.

(d) Loans Outstanding

Outstanding loans under the U.S. Department of Housing and Urban Development Section 108 program were \$4,267,188 at June 30, 2007. Amounts expended from loan proceeds are reflected in the accompanying Schedule of Federal Awards. Outstanding loans under the U.S. Department of Housing and Urban Development - Community Development Block Grant program were \$272,844 at June 30, 2007. Amounts expended from loan proceeds are reflected in the accompanying Schedule of Federal Awards.

(e) Additional Disclosures for Elder Abuse and Advocacy and Outreach Program

Total grant expenditures for the Elder Abuse and Advocacy and Outreach Program of \$90,100 are comprised of \$7,897 for personnel services, \$82,103 for operating expenditures and \$0 for equipment. The match on the Victims of Crime Act (VOCA) grant was \$22,500 in operating expenditures.

Schedule A-1

CITY OF PASADENA
 Financial Data Schedule
 June 30, 2007

Line Item #	Account Description	Section 8 Rental Voucher Program
<u>Assets</u>		
Current assets:		
111	Cash - unrestricted	\$ 1,376,682
100	Total cash	<u>1,376,682</u>
128	Fraud recovery	12,341
129	Total receivables, net of allowances for doubtful accounts	<u>12,341</u>
131	Investments - unrestricted	35,413
150	Total current assets	<u>1,425,436</u>
190	Total assets	<u>\$ 1,425,436</u>
<u>Liabilities and Fund Balance</u>		
Current liabilities:		
312	Accounts payable, less than 90 days	\$ 13,413
321	Accrued wages/payroll tax payable	42,384
310	Total current liabilities	<u>55,797</u>
Non-current liabilities:		
353	Noncurrent liabilities - other	55,624
350	Total non-current liabilities	<u>55,624</u>
300	Total liabilities	<u>111,421</u>
Fund balance:		
512	Undesignated fund balance	<u>1,314,015</u>
513	Total fund balance	<u>1,314,015</u>
500	Total liabilities and fund balance	<u>\$ 1,425,436</u>

Schedule A-1 (Continued)

CITY OF PASADENA
 Financial Data Schedule
 Year ended June 30, 2007

Line Item #	Account Description	Section 8 Rental Voucher Program
	Revenues:	
706	HUD PHA grants	\$ 10,898,333
708	Other government grants	40,602
711	Investment income - unrestricted	72,052
714	Fraud recovery	26,262
715	Other revenues	44,293
700	Total revenues	<u>11,081,742</u>
	Operating Expenditures:	
912	Auditing fees	6,024
916	Other operating - administrative	1,248,006
999	Total operating expenditures	<u>1,254,030</u>
970	Excess operating revenues over operating expenditures	<u>9,733,815</u>
	Expenditures:	
973	Housing assistance payments	<u>9,657,363</u>
909	Total expenditures	<u>9,657,363</u>
1000	Excess (deficiency) of operating revenues over (under) expenditures	<u>\$ 76,452</u>
1103	Beginning equity	\$ 1,137,046
1104	Prior period adjustments, equity transfers and correction of errors	100,817
1120	Unit months available	15,303
1121	Number of unit months leased	15,303
1118	Housing assistance payments equity	\$ 1,214,615

CITY OF PASADENA
Schedule of Findings and Questioned Costs
Year ended June 30, 2007

(A) Summary of Auditors' Results

1. An unqualified report was issued by the auditors on the financial statements of the auditee.
2. There were no material weaknesses in internal control over financial reporting. There were three significant deficiencies in internal control over financial reporting that we described as items 07-1, 07-2 and 07-3.
3. The audit disclosed no noncompliance which is material to the financial statements of the auditee.
4. There were no material weaknesses in internal control over the major programs of the auditee.
5. An unqualified report was issued by the auditors on compliance for major programs.
6. The audit disclosed no audit findings required by the auditors to be reported under paragraph 510(a) of OMB Circular A-133.
7. The major programs of the auditee were as follows:
 - Department of Transportation – Highway Planning and Construction – CDDA #20.205
 - Department of Homeland Security – State Homeland Security Grant Program – CDDA #07.005
8. The dollar threshold used to distinguish Type A and Type B programs was \$1,068,332.
9. The auditee was considered a low risk auditee for the year ended June 30, 2007 for the purposes of determining major programs.

(B) Findings Related to the Financial Statements which are Required to be Reported in Accordance with GAO/GAS

07-1) Internal Controls over Purchase Cards

We reviewed the City's corporate purchasing card activity for a thirty day period ending March 15, 2007. We obtained credit card statements and supporting documentation for the ten cards with the highest dollar value of transactions.

CITY OF PASADENA

Schedule of Findings and Questioned Costs

(Continued)

(B) Findings Related to the Financial Statements which are Required to be Reported in
Accordance with GASB, (Continued)

(07-1) Internal Controls over Purchase Cards, (Continued)

During our review, we noted the following:

- a. Five cardholder statements had not been reviewed by an individual other than the cardholder.

Recommendation

We recommend that each cardholder statement be reviewed by another individual in that department who can verify whether the goods or services were actually received and whether those expenses related to the City department's business purpose.

Management's Comments Regarding Corrective Action Planned

The City's policy regarding use of Purchase Cards does not require separate review of cardholder statements. Rather monthly management reports on card usage have been available to all departments. In consultation with our outside auditors, the addition of a documented review of the management reports by a responsible and knowledgeable reviewer in each Department would address this item and item (07-1) c. Additionally, staff of the Purchasing Division, performs random, periodic review of card usage.

- b. In our sample, one receipt was missing and a Purchasing Card Lost Receipt Form was not filled out by the cardholder until an inquiry was made. In addition, one cardholder statement had not been turned in to the Department of Finance.

Recommendation

The City's Purchasing Policy states that "statement reconciliation is mandatory. Upon reconciliation, all statements must be received in the Department of Finance, Budget and Purchasing Division no later than the 1st working day of the month following the billing cycle." We recommend that management enforce adherence to the City's Purchasing Policy.

Management's Comments Regarding Corrective Action Planned

Compliance monitoring is ongoing. Cardholders who do not comply with the program requirements have their cards suspended and if necessary revoked. In order to better facilitate compliance with program requirements the Finance Department has begun the rollout of an upgraded purchasing card tracking

CITY OF PASADENA
Schedule of Findings and Questioned Costs
(Continued)

(B) ... Findings Related to the Financial Statements which are Required to be Reported in
Accordingly with CAGAS, (Continued)

(07-1) Internal Controls over Purchase Cards, (Continued)

system. This application allows cardholders to reconcile their monthly statements online and allows for the suspension of cardholder purchasing privileges when statements have not been timely or properly reconciled.

- a. For four transactions, the relationship of the transaction to the business purpose of the department was not self-evident based upon the name of the vendor or the description on the receipt provided for that transaction.

Recommendation:

The department's review of purchasing card transactions should include obtaining an understanding of the business purpose of transactions for which their relationship to department objectives is not clear. In some cases, this might involve contact by the departmental reviewer with the cardholder and documenting additional information for the transaction.

Management's Comments Regarding Corrective Action Planned:

Management concurs with this recommendation. The corrective action planned in response to item (07-01 a.) Internal Controls over Purchase Cards is expected to address this recommendation.

(07-2) Excess Collection Refunds

Excess collection refunds resulting from various types of overpayments are processed by Municipal Services. A report is created in excel by an individual in Municipal Services and is then sent via email to the Department of Information Technology (IT). IT formats the report and sends it to Accounts Payable for processing. We recommend the controls below to reduce the risk that IT might send an unauthorized refund to the report since the final amount disbursed is not compared to what was initially approved by Municipal Services.

Recommendation:

We recommend that the report that is created, reviewed, and approved in Municipal Services be signed and forwarded to Accounts Payable. Accounts Payable should ensure that the final amount disbursed agrees to what was initially approved by Municipal Services.

CITY OF PASADENA
Schedule of Findings and Questioned Costs
(Continued)

(B) Findings Related to the Financial Statements which are Required to be Reported in
Accordance with GASB, (Continued)

(07-2) Excess Collection Refunds, (Continued)

Management's Comments Regarding Corrective Action Planned

Accounts Payable already uses this technique for other payment processes similar to this and will implement this recommendation for the Excess Collection Refunds.

(07-3) Changes to Vendor Information

The Accounts Payable Supervisor has system access rights to add vendors, make changes to vendor information, and process invoices for payment within Peoplesoft (the accounting software). This combination of computer system access rights theoretically could allow the Accounts Payable Supervisor to input a fictitious vendor, create an invoice, and process a disbursement without detection by management.

Recommendation

We recommend that the Accounts Payable Supervisor be denied computer access rights to add vendors and to make other changes to vendor master file information.

Management's Comments Regarding Corrective Action Planned

Management agrees with this recommendation and will restrict the system access rights accordingly.

(C) Findings and Questioned Costs for Federal Awards as Defined in Paragraph .510(a) of
OMB Circular A-133

There were no auditors' findings required to be reported in accordance with paragraph .510(a) of OMB Circular A-133.

CITY OF PASADENA
Summary Schedule of Prior Audit Findings
Year ended June 30, 2007

There were no prior year audit findings.

ATTACHMENT "C"

RESIDENT ADVISORY BOARD

January 14, 2008

Dear: Program Participant

The Pasadena Community Development Commission (PCDC) is in the process of preparing its Public Housing Authority (PHA) PHA Annual Plan for fiscal year 2008-2009, as required by the U.S. Department of Housing and Urban Development (HUD). PCDC is requesting your participation in this planning process through your comments and recommendations regarding the PHA Annual Plan.

The PHA Annual Plan describes PCDC's immediate operations, program participants, programs/services, and the strategy for handling operational concerns of the Rental Assistance Programs for the upcoming fiscal year.

The PHA Annual Plan will be reviewed and discussed at the Resident Advisory Board (RAB) meeting on Tuesday, February 19, 2008, from 11:00 a.m. to 12:00 p.m. Renaissance Plaza Community Room, 649 North Fair Oaks Ave, Suite 203. The PCDC extends an invitation to you to attend the RAB meeting. However, your participation is strictly voluntary and your rental assistance will not be affected if you choose not to attend this meeting.

If you have any questions or wish to obtain a copy of the PHA Annual Plan, please contact the PCDC, at (626) 744-8300.

Sincerely,

Myrtle Dunson
Housing Assistance Officer
Housing & Community Development

ATTACHMENT "D"

RESIDENT ADVISORY BOARD COMMENTS

ATTACHMENT "E"

PUBLIC HEARING COMMENTS

ATTACHMENT "F"

PUBLIC NOTICES

Publish Once:
Account Number: 8112 220 684210 50108

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
(2008 – 2009).

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 (2008-2009), will be considered for approval at a public hearing by the Pasadena Community Development Commission on Monday, April 7, 2008 at 8:00 p.m., or as soon thereafter as the matter may be heard, Council Chambers, Room S249, 100 North Garfield Avenue, 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 (2008-2009).

The Annual Plan (2008-2009) 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 (2008-2009) 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 (2008-2009) 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 (2008-2009), 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

**PUBLIC NOTICE OF THE AVAILABILITY FOR REVIEW OF THE PASADENA
COMMUNITY DEVELOPMENT COMMISSION PUBLICHOUSING
AGENCY (PHA) ANNUAL PLAN FOR FISCAL YEAR 2008-2009.**

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 (2008–2009), will be available January 28, 2008, for public view.

The Annual Plan (2008-2009) 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.

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 April 7, 2008, 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 28 2008 to April 7, 2008. 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

AVISO AL PUBLICO QUE EL PLAN ANUAL POR EL AÑO FISCAL 2008-2009 DE LA COMISION DE DESARROLLO COMUNITARIO DE PASADENA, ESTA A DISPOSICION PARA EXAMINAR.

La Comision de Desarrollo Comunitario de Pasadena (PCDC) anuncia que el Plan Anual (2008-2009) de la Comision de Desarrollo Comunitario como requiere el Acto de Calidad de Vivienda y Responsabilidad de Trabajo de 1998 (QHWRA, siglas en ingles), el Plan de Regla Final (24 CFR Part 903) del Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos (HUD, siglas en ingles) y la Noticia 2000-43 de la Vivienda Publica India (PIH, siglas en ingles) estara disponible al publico para examinar el 28 de enero del 2008.

El Plan Anual (2008-2009) identifica las operaciones inmediatas de la PCDC, evalua las necesidades de vivienda, condiciones de abastecimiento de vivienda, y las necesidades de subsidio de vivienda para familias de bajos ingresos para en ano fiscal venidero.

La Comision de Desarrollo Comunitario de la Ciudad de Pasadena esta extremadamente interesada en mejorar y aumentar la comunicacion con los ciudadanos de Pasadena en el area de vivienda. Se les pide e invita a hacer comentarios en relacion a este plan.

El Plan Anual de la PHA estara a disposicion del publico para examinar en las siguientes localidades:

1. DIVISION DE VIVIENDA Y DESARROLLO COMUNITARIO:

Division de Vivienda
Renaissance Plaze,
649 N. Fair Oaks Ave., Suite 202,
Pasadena, CA 91103
Horas habiles: 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 Accion Social, Inc. – 37 East Del Mar	792-3148

3. TODAS LAS SUCURSALES DE BIBLIOTECA PUBLICA:

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 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

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

PHA Name: Pasadena Community Development Commission
Streamlined Annual Plan for Fiscal Year 2008-2009
HA Code: CA 079

El Plan Anual de la PHA sera considerado por la Comision de Desarrollo Comunitario de Pasadena el 7 de abril de 2008, de ser aprobado por la Comision, sera sometido al Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos, inmediateamente despues.

Comentarios por escrito, del publico, aserca del Plan Anual de la PHA seran recibidos por la Division de Vivienda y Desarrollo Comunitario de la Ciudad, localizado en la Renaissance Plaza, 649 N. Fair Oaks Ave., Suite 202, Pasadena, CA del 28 de enero del 2008 al 7 de abril de 2008. Si tiene alguna pregunta, llame a Myrtle Dunson, Divison de Vivienda y Desarrollo Comunitario de la Ciudad de Pasadena al (626) 744-8300.

Publish:
La Opinion

Approved as to Form:

BRAD L. FULLER
Asistente Abogado de la Ciudad

Publicar una sola vez:
Número de Cuenta: 8112 220 684210 50108

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

AVISO AL PÚBLICO DE UNA AUDIENCIA PÚBLICA DE LA COMISIÓN DE DESARROLLO COMUNITARIO DE PASADENA PARA CONSIDERAR LA APROBACIÓN DEL PLAN ANUAL (2008-2009) DE LA AGENCIA DE LA VIVIENDA PÚBLICA (PHA)

De acuerdo con el código 24 de las regulaciones Federales, parte 903 et. Seq., tal como lo público el Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos (HUD), por sus siglas en inglés, el 22 de diciembre del 2000, en el Registro Federal, el aviso 2000-43 Vivienda Pública para la Comunidad Indígena (PIH), por sus siglas en inglés, y la ley de Responsabilidad Laboral y Calidad de la Vivienda de 1998, La Comisión de Desarrollo Comunitario de Pasadena (Comisión) da por este medio el aviso que el Plan Anual de la Agencia de la Vivienda Pública (PHA) (2008-2009), será considerado para su aprobación en una audiencia pública por la Comisión de Desarrollo Comunitario el lunes 7 de abril del 2008, a las 8:00 p.m., o en cuanto el asunto pueda escucharse en las Camaras del Consejo, sala S249, en el 100 Norte Garfield Avenue, Pasadena, California. El propósito de la audiencia pública es para obtener la opinión de los ciudadanos, proveedores de servicios, participantes y personas interesadas en el desarrollo del Plan Anual del PHA (2008-2009).

El Plan Anual (2008-2009) describe las operaciones inmediatas de la Comisión, evalúa las necesidades de ayuda para la vivienda, la condición de viviendas disponibles, y las necesidades de ayuda financiera para pagar la renta de personas de bajos ingresos para el próximo año fiscal.

Una vez que la Comisión apruebe, el Plan Anual de la Agencia de la Vivienda Pública (PHA) (2008-2009) será presentado a la HUD para asegurarse que la Ciudad continúe recibiendo fondos federales que beneficien a personas de bajos ingresos económicos del programa de asistencia para la renta. El financiamiento del programa de ayuda económica para pagar la renta estará sujeto a la disponibilidad de fondos que le de a la Ciudad HUD, así como también de la preparación y la entrega al HUD de los Planes Anuales de PHA.

TODAS LAS AGENCIAS, GRUPOS, O PERSONAS INTERESADAS que deseen ser escuchadas sobre éste asunto se les invita a asistir a ésta audiencia pública y hablar ante la Comisión en el lugar y hora estipulada. La Comisión considerará la aprobación del Plan Anual (2008-2009) de la Agencia de la Vivienda Pública en la audiencia pública después de haber recibidos los testimonios, orales y escritos.

Si usted tiene alguna pregunta o necesita información en relación al Plan Anual (2008-2009) de la Agencia de la Vivienda Pública, y/o del proceso, comuníquese con Myrtle Dunson, Oficial Asistente de la Vivienda al (626) 744-8300, o puede ofrecer comentarios por escrito a: Oficina Administrador Ciudad, Vivienda y Desarrollo Comunitario, 649 N. Fair Oaks Ave., Suite 202, Pasadena, California 91103.

Aprobado tal como está

BRAD L. FULLER

Asistente Abogado de la Ciudad

Publicar:

ATTACHMENT "G"

ADMINISTRATIVE PLAN AMENDMENTS

Chapter 24

Enterprise Income Verification (EIV)

Security Policy and Procedures

The Enterprise Income Verification System (EIV)

The EIV system is intended to provide a single source of income-related data to PHAs for use in verifying the income reported by participants in the various assisted housing programs. The Office of Public and Indian Housing (PIH) is responsible for administering and maintaining the EIV system.

Types of Upfront Verification of Income Provided by EIV

The EIV system compares the participant income data obtained from various sources including:

- Participant-supplied income data captured on Form HUD-50058 and maintained in the PIC databases;
- U.S. Department of Health and Human Services, National Directory of New Hires (NDNH) data. NDNH becomes the single source for wage, unemployment insurance benefit information, and the new hire (employment) information;
- Social Security and Supplemental Security Income from the Social Security Administration (information formerly accessed through TASS); and
- User profile information from the PIC database.

What EIV Participant Data Is Used For

EIV data is the first level in the hierarchy of income verification. The EIV data may be used in the following way:

- To verify a participant's eligibility for participation in a HUD rental assistance program and to determine the level of assistance the participant is entitled to receive; and
- No adverse action can be taken against a participant until the PHA has independently verified the EIV and the participant has been granted an opportunity to contest any adverse findings through the established grievance hearing, or other legal procedures (Chapter 7 Verification Procedures).

Applicability

The procedures in this document apply to all PCDC staff that access EIV data.

Purpose

The purpose of this document is to establish the PCDC's policies and procedures to assure that the practices, controls and safeguards used by Public Housing are in compliance with the Federal laws regarding the protection of this information.

Privacy Act

The data provided via the EIV system will be protected to ensure that it is only used for official purposes and not disclosed in any way that would violate the privacy of the individuals represented in the system data. Privacy of data and data security for computer systems are covered by a variety of Federal laws and regulations. The Privacy Act of 1974 as amended, 5 U.S.C. 552 (a) is one such regulation. The full text of the Privacy Act can be accessed at <http://www.usdoj.gov/fo is/privstat.htm>.

Examples of Privacy Act Violations

Public Housing will not rely entirely upon staff to read and understand the Privacy Act. To ensure that staff has a complete understanding of the Privacy Act and how seemingly harmless actions may be violations, examples of a Privacy Act violations will be provided during security awareness training. The following example of a security violation was explained during the HUD Satellite Broadcast introducing the EIV system:

EIV data can only be viewed by authorized PHA staff and the individual adult who the information pertains to. This means that EIV data for an adult household member in a participant family cannot be shared with another adult household member of the participant family (even the head of household) unless that family member is present or signs a waiver authorizing the other family member to view their EIV information. The Privacy Act protects the privacy of each adult family member from any unauthorized person viewing their EIV data, even another family member. However, EIV data for minor children may be viewed by the Head of Household.

Public Housing Security Officer(s)

A Public Housing EIV Security Officer(s), is responsible for ensuring that proper technical, physical, and administrative safeguards are in place and enforced. The duties of the security officer are as follows:

- Conducts quarterly reviews of all User IDs issued to determine if the users still have a valid need to access the EIV data and modifies or revokes access rights as appropriate;
- At the request of the Director, updates the EIV Security Policy and Procedures;
- Maintains a key control log or audits the key control log to ensure that one is properly maintained (PCDC locking file cabinets);
- Maintains a list of users who can access the restricted areas;
- Assures that a copy of Form HUD-9886 has been signed by each member of the household age 18 years or older and is in the household file;
- Ensures compliance with the PHA security policies and procedures outlined in this document;

- Communicates security information and requirements to appropriate personnel, including coordinating and conducting security awareness training sessions;
- Ensures that any infractions of security procedures are promptly reported to Department Director for investigation and enforcement; and
- Ensures that all EIV records and forms (i.e. signed user agreements) are kept and updated as needed.

Security Awareness Training

Security awareness training is a crucial aspect of ensuring the security of the EIV system and data. Users and potential users will be made aware of the importance of respecting the privacy of data, following established procedures to maintain privacy and security, and notifying management in the event of a security or privacy violation.

In addition to security awareness training, the Security Officer(s) will communicate security information and requirements to appropriate personnel. Security Awareness training will be provided to each employee upon granting access to the EIV system. Thereafter, annual security awareness refresher training will be provided to each employee with EIV access.

The PH EIV Officer(s) will conduct security awareness training in the following manner:

- The trainer and the employee will both sign a certification that EIV security training has been provided. The training certification and a record of the training material provided at the awareness training will be kept in the PH EIV Security binder.
- At the end of the training, each employee will also sign the EIV Rules of Behavior and User Agreement form. One copy will be given to the employee to be placed in their desk manual and one copy will be retained in the PH EIV Security binder. The forms will be updated once a year at the refresher training.
- The PH Security Officer(s) will limit the security awareness training to security awareness and compliance issues only. Instructing staff on how to navigate in the EIV modules and how to run reports or to interpret data is the responsibility of the Supervisor or designated trainer.
- Examples of potential Privacy Act and security violations will be provided during the training.

Technical Safeguards

The purpose of these technical safeguards is as follows:

- To reduce the risk of a security violation related to the EIV system's software, network, or applications;
- To identify and authenticate all users seeking access to the EIV system;
- To deter and detect attempts to access the system without authorization;
- To monitor the user activity of the EIV system;
- Each user is required to have their own User ID and Password;
- The User ID identifies the PHA's and tenant information that the user is authorized to access;
- Passwords are encrypted and the password file is protected from unauthorized access;
- The system forces all user to change their password every 21 days and limit the reuse of previous passwords;

- After three unsuccessful attempts to log in, the User ID is locked and the user must contact the HUD System Administrator to have the password reset; and
- Online warning messages that inform the user of the civil and criminal penalties associated with unauthorized use of the EIV system will be displayed.

In addition PCDC will follow the following technical security requirement:

- Public Housing will not save EIV data to a computer hard drive or any other automated information system (i.e. network drive, disk or CD);
- Public Housing staff will not leave their computer unattended with EIV data displayed on the screen; and
- Public Housing staff will not log in on another user's ID.

Administrative Safeguards

The Security Officer(s) will maintain security-related records and monitor programmatic security issues. The Security Officer(s) will adhere to the following administrative safeguards:

- Ensure that all users who have access to EIV data have an Access Authorization form signed by the Director of Housing on file;
- Ensure that all users who access the EIV system have a current signed Rules of Behavior and User Agreement on file;
- Conduct quarterly reviews of all User IDs to determine if the user still has a valid need to access the EIV data; and
- Ensure the access rights are modified or revoked as appropriate.

The Public Housing Security Officer(s) will maintain the following EIV security records and forms:

- EIV Rules of Behavior and User Agreement Forms;
- EIV Access Authorization Forms;
- EIV Disposal Records List;
- EIV Security violation information;
- KeyControl Logs for secure areas or filing cabinets;
- EIV Security Awareness Training Records;
- Records of internal audits to ensure that the Form HUD-9886 has been signed by each adult member of the household and is kept in the Confidential Resident File; and
- A record of all users who have approved access to EIV data including the date the access was granted and the date access was terminated.

Physical Safeguards

The purpose of physical safeguards is to provide barriers between unauthorized persons and documents containing private data.

Confidential Participant Files

All EIV data will be printed and saved in the "Confidential" participant file. Each participant file will be clearly labeled on the front cover as "Confidential". This alerts staff that this file contains EIV data that must be protected at all times when not in use.

Locking File Cabinets for Confidential Files

Even though the PCDC has a monitored office building, persons unauthorized to view EIV data, such as maintenance staff, janitorial staff, or temporary staff, have access to the office spaces. In office settings where any staff other than the staff responsible for the participant file or their supervisor has access to the office, all Confidential Participant Files will be kept in locking file cabinets. The cabinets will be locked whenever the responsible staff leaves the workspace.

Hard Copy Security Violations

PCDC will handle EIV data in such a manner that it does not become misplaced or available to unauthorized personnel. Any marked confidential participant file will contain EIV data. Therefore the file cannot be viewed by any personnel that are not expressly authorized (i.e. staff in charge of that file, the supervisor of the staff in charge of the file, the security officer, or the Public Housing Internal Auditor) and who do not have both an Access Authorization Form and a Rules of Behavior and User Agreement on file with the EIV Security Officer.

Viewing the EIV information of a participant outside of a staff's caseload assignment is considered a security violation for both the staff unlawfully viewing the EIV information and for the staff that left the information unattended. Unless a supervisor has specifically authorized staff to view another staff's EIV data, this is expressly prohibited.

Disposal of EIV Information

EIV data should be destroyed as soon as it has served its purpose or as prescribed by the program administrators's policy and procedures. All EIV originals and any documents created in association with their use should be shredded to prevent the reconstruction of the contents. Large amounts of shredded paper should not be allowed to accumulate in the bin. It is important that a log or register be maintained of all documents shredded or destroyed.

Reporting Improper Disclosures

Recognition, reporting and disciplinary action in response to security violations are crucial to successfully maintaining the security and privacy of the EIV system.

Security Violations may include the following:

- Disclosure of private data;
- Attempts to access unauthorized data; and
- Sharing of User IDs and passwords.

Upon discovery of a possible improper disclosure of EIV information or another security violation by a Public Housing Employee or any other person, the individual making the observation or receiving the information should contact the Security Officer(s). The PHA Security Officer(s) will document all improper disclosures in writing on a security disclosure form providing details including who was involved, what was disclosed, how the disclosure occurred, and where it occurred.

The following contacts will be made:

- The Security Officer(s) will contact and provide the Director of Public Housing the written documentation of the security violation;
- The Administrator or his designee will provide the HUD Field Office Public Housing Director with the written documentation; and
- The HUD Field Office Public Housing Director upon receipt of the documentation will make a determination regarding the referral and provision of the written documentation to the Headquarters EIV Coordinator and / or EIV Security Officer(s) for further review and follow-up action.

Safeguards Provided by the Privacy Act

The Privacy Act provides safeguards for individuals against invasion of privacy by requiring Federal agencies, except as otherwise provided by law or regulation to:

1. Permit individuals to know what records pertaining to them are collected, maintained, used or disseminated;
2. Allow individuals to prevent records pertaining to them, obtained for a particular purpose from being used or made available for another purpose without their consent;
3. Permit individuals to gain access to information pertaining to them, obtain a copy of all or any portions thereof, and correct or amend such records;
4. Collect, maintain, use or disseminate personally identifiable information in a manner that ensures the information is current and accurate, and that adequate safeguards are provided to prevent misuses of such information;
5. Permit exemption from the requirements of the Act only where an important public policy need exists as determined by specific statutory authority; and
6. Be subject to a civil suit for any damages that occur as a result of action that violates any individual's rights under this Act.

CHAPTER 1

STATEMENT OF POLICIES AND OBJECTIVES

MISSION STATEMENT

The Mission of the Pasadena Community Development Commission (PCDC) is to provide consumer friendly housing and community development services and assistance in an efficient and proficient manner, to the residents, 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 public housing authority/agencies (PHA) under the Code of Federal Regulations (CFR), Title 24, Subtitle B - Housing and Urban Development, Parts 700-1699 (24 CFR 700-1699) and other applicable Federal and local regulations.

The PCDC, in response to recent changes in Federal regulations, performed an extensive review of our Rental Assistance Program (RAP) policies and procedures in compliance with local and Federal regulations. Modifications to RAP policies, documents, forms and processing procedures were warranted to ensure compliance with both local and Federal program requirements and to improve the program's records management system.

Essentially, HUD mandated the merger of the Section 8 Certificate and Voucher Programs into the new 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 Housing_Choice Voucher (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 during the initial occupancy of a dwelling unit.

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 HCVP serves the jurisdiction within the City boundaries and is operated under the authority of the PCDC which is the designated PHA established by the City in April of 1989. The former PHA 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 PHA. 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 RAP 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. The 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 RAP and the functions and responsibilities of the 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 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 this Administrative Plan is to establish the policies for carrying out the PCDC RAP in a manner consistent with HUD requirements and local objectives. This 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 - Elite 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 48 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 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 RRA form, the PCDC will mail a Certification of Disability form to the professional third party that the family has identified to verify the person's status as a disabled person and their special housing needs. 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 RRAs made by applicants and/or participants of the HCVP. The RA Committee is comprised of the Housing Assistant who is assigned to the family's case and the two Housing Specialists. Once a decision is made by the RA Committee, the assigned Housing Assistant 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 Housing Assistant and/or 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, knowledgeable 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/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. However, certain documents may be required to be translated by an outside certified translator.

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 newspapers, PCDC may distribute fact sheets to broadcasting media, and initiate personal contacts with members of the news media and community service personnel. The PCDC may also utilize public service announcements. The PCDC may communicate the status of housing availability to other service providers in the community, and 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 as units become available. 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 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 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 HCVs 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 HCVs issued.
7. Track status of repayment amounts owed the PHA.
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 and in-coming portable families.
3. 100% percent interim re-examinations.
4. 5% percent of the Housing Quality Standards (HQS) inspections conducted for all units.

5. 100% percent proposed terminations and 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 October 2, 1995.

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 a voucher program.

HQS means the Housing Quality Standards required by regulations and enhanced by PCDC in accordance with State and local ordinances.

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 5, Subparts B, D & E; 24 CFR 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 when evaluating the eligibility of families who apply. The PCDC staff will review all information provided by families 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. A family must be income-eligible, within the appropriate income limits.
3. A family must be a citizen or a non-citizen who has eligible immigration status.
4. A family must sign an "Authorization for the Release of Information/Privacy Act Notice" form (Form HUD-9886) and PCDC forms.

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" in this Plan.

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 foster care may be 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 Aide [24 CFR 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 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 of 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 the 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. A family is continuously assisted if the family has received assistance under any 1937 Housing Act program. 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 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 §248.173 of this title.
 - e. A low-income or moderate-income family displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing as defined in §248.101 of this title.
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.

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 HCV 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 HCV 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.

If a family member does not have a valid Social Security number, the individual must sign and date a certification that s/he does not have a Social Security number. The certification should include:

1. Individual's full name;
2. Date of birth;
3. State that the individual has not been assigned a Social Security number (specify reason); and
4. State that the individual will disclose the number when s/he later obtains a Social Security number.

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.

Failure to furnish verification of Social Security numbers is grounds for denial or termination of assistance.

E. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS [24 CFR 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: 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 must apply the following criteria, in addition to 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 RAP 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 unless the PCDC or PHA has imposed a lifetime restriction from participating due to the nature of the violation(s), crime or offense.
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. Family will have 90 days to pay any outstanding debts in full once their name has been reached.
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 families 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 Federally assisted 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.
7. Family member(s) must not be subject to a lifetime registration requirement under a State sex offender registration program.
8. 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.
9. Students enrolled in an institution of higher education, who are:
 - a. Under the age of 24;
 - b. Not a veteran;
 - c. Unmarried;
 - d. Do not have a dependent child;
 - e. Have not established a separate household from their parents or legal guardians for at least one year prior to applying for rental assistance;
 - f. Nor claimed as a dependent by parents or legal guardians on their Internal Revenue Services tax return; and
 - g. 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 family 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 any local fair housing organizations. 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 prior to admission 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 family 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" in this Plan 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 preferences 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 and Recreation, Pasadena Senior Center, and local libraries, etc.);
5. Notification and solicitation of current HCVP participants and owners to inform interested households; and
6. Other suitable means for 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; and
 - 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(s).
4. Limitations, if any, on whom may apply.

The notices may 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

The 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 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. Applications will not be accepted if the applicant fails to comply with the open enrollment process and/or instructions.

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 from the waiting list 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 only be 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 PCDC 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, their application will be denied unless they can provide acceptable documentation to the PCDC that an emergency prevented them from calling and/or attending.

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

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 a 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 session will be scheduled for the issuance of a HCV and orientation to the HCVP.

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 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 an 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 a marketing list if available. For over-housed families, the HCV size will be re-evaluated and the family 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 more bedrooms 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 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, and 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 a Request For Tenancy Approval (RFTA).

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

The RFTA, Inspection Checklist, a copy of the proposed lease, including the HUD prescribed Tenancy Addendum, and the Lead-Based Paint Disclosure Information form 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 acceptable.

The RFTA will be accepted 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; and
 - 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 in 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 family, and the names, addresses and telephone numbers of the family'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 families 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 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 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 assisted 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) Form
- 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 an Assumption of Obligations and Benefits Contract. The PCDC will provide the owner with copies of the existing HAP Contract and lease 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) Form
- Property Management Agreement, if applicable
- Partnership Agreement & Resolution for Signatory, if applicable
- Corporate Bylaws & Resolution for Signatory, if applicable

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 the unit meets minimum Housing Quality Standards (HQS), the lease is approvable, the rent is reasonable, and the Housing Assistance Payment (HAP) Contract has been executed, the PCDC will begin payments to the owner. 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 (HCVP) [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 family 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 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 listed 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 HCVP 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 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 Database/Average Contract Rents

The PCDC will compare the payment standards to average rents in its rent reasonableness database and to 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 HCV size.

Financial Feasibility

Before increasing the payment standard, the PCDC may review the budget and project reserves 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 24 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.
- (4) Change in the family unit size during the HAP Contract term. Irrespective of any increase or decrease in the payment standard amount, if the family unit size increases or decreases during the HAP Contract term, the new family unit size must be used to determine the payment standard amount for the family, beginning at the family's first regular reexamination following the change in the family unit size.

MAXIMUM FAMILY SHARE AT INITIAL OCCUPANCY

At the time the family initially receives tenant-based assistance for occupancy of a 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-month term of the lease, the owner may not raise the rent.

D. PAYMENTS TO OWNERS [24 CFR 982.451]

Once the 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. 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 and 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, 982.507]

Rent reasonableness determinations are made when:

1. Units are placed under a HAP Contract for the first time;
2. Owners request special contract rent adjustments; or
3. Owners request annual or interim rent increases.

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.

Rent reasonableness determinations for the PCDC market areas will be compared to similar unassisted units within the same area.

The following factors 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 database on unassisted units for use by staff in making rent reasonableness determinations. The database is updated on an ongoing basis and purged when more than six months old.

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 HCVP. The PCDC provides 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, as well as 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 an 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 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 not paid State or local real estate taxes, fines or assessments.
9. 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.
10. 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 HAP 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 HUD regulations. 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 has 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 requirements.	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 family as applicable.

CHAPTER 17

PROPERTY 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 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 all debt owed from the date the overpayment occurred. The PCDC will use a variety of collection tools to recover debts, including, but not limited to:

1. Abatement
2. Requests for Lump Sum Payment
3. Repayment Agreement
4. Reduction of Housing Assistance Payments
5. Civil Suit
6. Collection Agency
7. Credit Bureau
8. Income Tax Set-Off Program

A. REPAYMENT AGREEMENT FOR FAMILIES

[24 CFR 982.552 (c) v, vi. vii]

A Repayment Agreement 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 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's 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 the family defaults on the Repayment Agreement, the PCDC will notify the family in writing of the total amount due. The family will be given a date to pay the balance in full. If the total payment is not received, housing assistance on behalf of the family will be subject to termination.

Repayment Schedule for Monies Owed to the PCDC

<u>Initial Payment Due</u>	<u>Amount Owed</u>	<u>Maximum Term</u>
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 a decrease in monthly payments with supporting documentation of extreme hardship and the approval of the Housing Assistance Officer. If the request is approved, the PCDC may amend the term of the Repayment Agreement.

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 within 15 days of the date of notification to the family. The family will also be subject to

termination of 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 pay the overpaid rental assistance in accordance with the guidelines in the repayment section of this Chapter.

Program Fraud

Housing assistance will be terminated for a family who owes 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 Office of 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 21

CONSOLIDATED ANNUAL CONTRIBUTION CONTRACT

INTRODUCTION

HUD annually allocates budget authority for 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 public housing agencies. Budget authority subject to allocation under Section 213(d) is allocated in accordance with 24 CFR 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 fees. 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 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 program.

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 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 public 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 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; and
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 families within the amounts contracted under the Consolidated ACC.

D. HOUSING ASSISTANCE PAYMENTS

Housing assistance payments are paid to the owner in accordance with the terms of the HAP Contract for units under lease with an eligible family. Housing assistance payments 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 housing assistance payment for each family participating in the program and make timely housing assistance payments to the owner in accordance with the HAP Contract.

The PCDC will administer and enforce the HAP Contract with the owner. If the owner is in violation of the HAP Contract, the PCDC will take appropriate action in accordance with this Plan.

E. ADMINISTRATIVE FEES [24 CFR 982.152]

HUD may approve administrative fees to the PCDC for any of the following purposes:

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; and
7. Other extraordinary costs 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 program from available budget authority under the Consolidated ACC. The amount in the ACC Reserve Account is determined by HUD.

The amount in the ACC Reserve Account is determined by HUD. HUD may approve payments for the PCDC, in accordance with the public housing agencies HUD-approved budget, from available amount 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 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.

If the PCDC has not adequately administered any RAP, HUD may prohibit use of 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 depositary 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 depositary:

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 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 44.