

**ANNUAL AGENCY PLAN SUBMISSION FOR 2009
HOUSING CHOICE VOUCHERS
CITY OF VIRGINIA BEACH
DEPARTMENT OF HOUSING AND NEIGHBORHOOD
PRESERVATION
VA – 039**

APRIL 2009

April 17, 2009

Mr. Robert Jennings
Director
Virginia Public Housing Program Center
600 E. Broad Street, 3rd Floor
Richmond, VA 23219

Dear Mr. Jennings,

I am pleased to submit the 2009 Agency Plan and required updates for the Housing Choice Voucher Program of the Virginia Beach Department of Housing and Neighborhood Preservation. The Plan was formally approved by City Council on April 14, 2009. A copy of their certified resolution is included along with the required Certifications HUD 50077 and HUD 50077SL. A listing of various support files is attached to this letter.

We have use the newly mandated HUD 50075 in preparing this year's Plan. However, because many of the required elements were captured in the previous version of the 50075, we have chosen to use an updated version of that as one of our supporting documents. We realize that the new format merely requires that certain elements be maintained at the office rather than having to be submitted but, again, in trying to produce as complete a Plan as possible we have chosen to attach supporting files that fully describe our agency operations.

All public notification and review requirements have been met including a thorough review of the Plan with our Resident Advisory Board.

If you have any questions, please feel free to contact Mr. Dale Gravett, Rental Housing Administrator, at 757-385-5745.

Sincerely,

Mr. Andrew Friedman
Director

Cc: Dale Gravett, Rental Housing Administrator

Attachment: Support File Listing

Support Files Included in the Plan:

File 1 – Cover Letter and Required 50075

File 2 - City Ordinance, HUD 50077 and HUD 50077-SL

File 3 – Plan Detail and Required Elements

File 4 – Progress Report on Achieving Strategic Goals

File 5 – Evidence of Public Meeting and Comments

File 6 – Housing Needs Study

File 7 Part I – First Half of Administrative Plan

File 7 Part 2 – Second Half of Administrative Plan

PHA 5-Year and Annual Plan	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires 4/30/2011
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1.0	PHA Information PHA Name: Virginia Beach Dept. of Housing and Neighborhood Preservation PHA Code: VA-039 PHA Type: <input type="checkbox"/> Small <input type="checkbox"/> High Performing <input checked="" type="checkbox"/> Standard <input type="checkbox"/> HCV (Section 8) PHA Fiscal Year Beginning: (MM/YYYY): 07/01/09				
2.0	Inventory (based on ACC units at time of FY beginning in 1.0 above) Number of PH units: _____ Number of HCV units: 1901				
3.0	Submission Type <input type="checkbox"/> 5-Year and Annual Plan <input checked="" type="checkbox"/> Annual Plan Only <input type="checkbox"/> 5-Year Plan Only				
4.0	PHA Consortia <input type="checkbox"/> PHA Consortia: (Check box if submitting a joint Plan and complete table below.)				
	Participating PHAs	PHA Code	Program(s) Included in the Consortia	Programs Not in the Consortia	No. of Units in Each Program
					PH HCV
	PHA 1:				
	PHA 2:				
	PHA 3:				
5.0	5-Year Plan. Complete items 5.1 and 5.2 only at 5-Year Plan update. NOT APPLICABLE THIS YEAR BUT A COPY OF EXISTING PLAN IS INCLUDED				
5.1	Mission. State the PHA's Mission for serving the needs of low-income, very low-income, and extremely low income families in the PHA's jurisdiction for the next five years: NOT APPLICABLE THIS YEAR BUT A COPY OF EXISTING PLAN IS INCLUDED				
5.2	Goals and Objectives. Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income and very low-income, and extremely low-income families for the next five years. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan. NOT APPLICABLE THIS YEAR BUT A COPY OF EXISTING PLAN IS INCLUDED				
6.0	PHA Plan Update (a) Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission: (b) Identify the specific location(s) where the public may obtain copies of the 5-Year and Annual PHA Plan. For a complete list of PHA Plan elements, see Section 6.0 of the instructions. SEE ATTACHED FILE				
7.0	Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers. Include statements related to these programs as applicable. NOT APPLICABLE				
8.0	Capital Improvements. Please complete Parts 8.1 through 8.3, as applicable. NOT APPLICABLE				
8.1	Capital Fund Program Annual Statement/Performance and Evaluation Report. As part of the PHA 5-Year and Annual Plan, annually complete and submit the <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> , form HUD-50075.1, for each current and open CFP grant and CFFP financing. NOT APPLICABLE				
8.2	Capital Fund Program Five-Year Action Plan. As part of the submission of the Annual Plan, PHAs must complete and submit the <i>Capital Fund Program Five-Year Action Plan</i> , form HUD-50075.2, and subsequent annual updates (on a rolling basis, e.g., drop current year, and add latest year for a five year period). Large capital items must be included in the Five-Year Action Plan. NOT APPLICABLE				
8.3	Capital Fund Financing Program (CFFP). <input type="checkbox"/> Check if the PHA proposes to use any portion of its Capital Fund Program (CFP)/Replacement Housing Factor (RHF) to repay debt incurred to finance capital improvements. NOT APPLICABLE				
9.0	Housing Needs. Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. PLEASE SEE ATTACHED FILE				

9.1	<p>Strategy for Addressing Housing Needs. Provide a brief description of the PHA’s strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan. NOT REQUIRED THIS YEAR BUT A COPY OF THE FIVE YEAR PLAN IS INCLUDED</p>
10.0	<p>Additional Information. Describe the following, as well as any additional information HUD has requested.</p> <ul style="list-style-type: none"> (a) Progress in Meeting Mission and Goals. Provide a brief statement of the PHA’s progress in meeting the mission and goals described in the 5-Year Plan. (b) Significant Amendment and Substantial Deviation/Modification. Provide the PHA’s definition of “significant amendment” and “substantial deviation/modification” SEE ATTACHED FILE
11.0	<p>Required Submission for HUD Field Office Review. In addition to the PHA Plan template (HUD-50075), PHAs must submit the following documents. Items (a) through (g) may be submitted with signature by mail or electronically with scanned signatures, but electronic submission is encouraged. Items (h) through (i) must be attached electronically with the PHA Plan. Note: Faxed copies of these documents will not be accepted by the Field Office. SUBMITTED AS REQUIRED</p> <ul style="list-style-type: none"> (a) Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i> (which includes all certifications relating to Civil Rights) (b) Form HUD-50070, <i>Certification for a Drug-Free Workplace</i> (PHAs receiving CFP grants only) (c) Form HUD-50071, <i>Certification of Payments to Influence Federal Transactions</i> (PHAs receiving CFP grants only) (d) Form SF-LLL, <i>Disclosure of Lobbying Activities</i> (PHAs receiving CFP grants only) (e) Form SF-LLL-A, <i>Disclosure of Lobbying Activities Continuation Sheet</i> (PHAs receiving CFP grants only) (f) Resident Advisory Board (RAB) comments. Comments received from the RAB must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations. (g) Challenged Elements (h) Form HUD-50075.1, <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> (PHAs receiving CFP grants only) (i) Form HUD-50075.2, <i>Capital Fund Program Five-Year Action Plan</i> (PHAs receiving CFP grants only)

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, as amended, which introduced 5-Year and Annual PHA Plans. The 5-Year and Annual PHA plans provide 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 is to be used by all PHA types for submission of the 5-Year and Annual Plans to HUD. Public reporting burden for this information collection is estimated to average 12.68 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 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 thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality

Instructions form HUD-50075

Applicability. This form is to be used by all Public Housing Agencies (PHAs) with Fiscal Year beginning April 1, 2008 for the submission of their 5-Year and Annual Plan in accordance with 24 CFR Part 903. The previous version may be used only through April 30, 2008.

1.0 PHA Information

Include the full PHA name, PHA code, PHA type, and PHA Fiscal Year Beginning (MM/YYYY).

2.0 Inventory

Under each program, enter the number of Annual Contributions Contract (ACC) Public Housing (PH) and Section 8 units (HCV).

3.0 Submission Type

Indicate whether this submission is for an Annual and Five Year Plan, Annual Plan only, or 5-Year Plan only.

4.0 PHA Consortia

Check box if submitting a Joint PHA Plan and complete the table.

5.0 Five-Year Plan

Identify the PHA's Mission, Goals and/or Objectives (24 CFR 903.6). Complete only at 5-Year update.

5.1 Mission. A statement of the mission of the public housing agency for serving the needs of low-income, very low-income, and extremely low-income families in the jurisdiction of the PHA during the years covered under the plan.

5.2 Goals and Objectives. Identify quantifiable goals and objectives that will enable the PHA to serve the needs of low income, very low-income, and extremely low-income families.

6.0 PHA Plan Update. In addition to the items captured in the Plan template, PHAs must have the elements listed below readily available to the public. Additionally, a PHA must:

- (a) Identify specifically which plan elements have been revised since the PHA's prior plan submission.
- (b) Identify where the 5-Year and Annual Plan may be obtained by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on its official website. PHAs are also encouraged to provide each resident council a copy of its 5-Year and Annual Plan.

PHA Plan Elements. (24 CFR 903.7)

1. **Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures.** Describe the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV and unit assignment policies for public housing; and procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists.

2. **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA Operating, Capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources.
3. **Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units.
4. **Operation and Management.** A statement of the rules, standards, and policies of the PHA governing maintenance management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA.
5. **Grievance Procedures.** A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants.
6. **Designated Housing for Elderly and Disabled Families.** With respect to public housing projects owned, assisted, or operated by the PHA, describe any projects (or portions thereof), in the upcoming fiscal year, that the PHA has designated or will apply for designation for occupancy by elderly and disabled families. The description shall include the following information: **1)** development name and number; **2)** designation type; **3)** application status; **4)** date the designation was approved, submitted, or planned for submission, and; **5)** the number of units affected.
7. **Community Service and Self-Sufficiency.** A description of: **(1)** Any programs relating to services and amenities provided or offered to assisted families; **(2)** Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs under Section 3 and FSS; **(3)** How the PHA will comply with the requirements of community service and treatment of income changes resulting from welfare program requirements. **(Note: applies to only public housing).**
8. **Safety and Crime Prevention.** For public housing only, describe the PHA's plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must include: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities.

9. **Pets.** A statement describing the PHAs policies and requirements pertaining to the ownership of pets in public housing.
10. **Civil Rights Certification.** A PHA will be considered in compliance with the Civil Rights and AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction.
11. **Fiscal Year Audit.** The results of the most recent fiscal year audit for the PHA.
12. **Asset Management.** A statement of how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.
13. **Violence Against Women Act (VAWA).** A description of: 1) Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; 2) Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and 3) Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families.

7.0 Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers

- (a) **Hope VI or Mixed Finance Modernization or Development.** 1) A description of any housing (including project number (if known) and unit count) for which the PHA will apply for HOPE VI or Mixed Finance Modernization or Development; and 2) A timetable for the submission of applications or proposals. The application and approval process for Hope VI, Mixed Finance Modernization or Development, is a separate process. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>
- (b) **Demolition and/or Disposition.** With respect to public housing projects owned by the PHA and subject to ACCs under the Act: (1) A description of any housing (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition; and (2) A timetable for the demolition or disposition. The application and approval process for demolition and/or disposition is a separate process. See guidance on HUD's website at: http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm
Note: This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed.
- (c) **Conversion of Public Housing.** With respect to public housing owned by a PHA: 1) A description of any building or buildings (including project number and unit count) that the PHA is required to convert to tenant-based assistance or

that the public housing agency plans to voluntarily convert; 2) An analysis of the projects or buildings required to be converted; and 3) A statement of the amount of assistance received under this chapter to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>

- (d) **Homeownership.** A description of any homeownership (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval.
- (e) **Project-based Vouchers.** If the PHA wishes to use the project-based voucher program, a statement of the projected number of project-based units and general locations and how project basing would be consistent with its PHA Plan.

8.0 Capital Improvements. This section provides information on a PHA's Capital Fund Program. With respect to public housing projects owned, assisted, or operated by the public housing agency, a plan describing the capital improvements necessary to ensure long-term physical and social viability of the projects must be completed along with the required forms. Items identified in 8.1 through 8.3, must be signed where directed and transmitted electronically along with the PHA's Annual Plan submission.

8.1 Capital Fund Program Annual Statement/Performance and Evaluation Report. PHAs must complete the *Capital Fund Program Annual Statement/Performance and Evaluation Report* (form HUD-50075.1), for each Capital Fund Program (CFP) to be undertaken with the current year's CFP funds or with CFFP proceeds. Additionally, the form shall be used for the following purposes:

- (a) To submit the initial budget for a new grant or CFFP;
- (b) To report on the Performance and Evaluation Report progress on any open grants previously funded or CFFP; and
- (c) To record a budget revision on a previously approved open grant or CFFP, e.g., additions or deletions of work items, modification of budgeted amounts that have been undertaken since the submission of the last Annual Plan. The Capital Fund Program Annual Statement/Performance and Evaluation Report must be submitted annually.

Additionally, PHAs shall complete the Performance and Evaluation Report section (see footnote 2) of the *Capital Fund Program Annual Statement/Performance and Evaluation* (form HUD-50075.1), at the following times:

1. At the end of the program year; until the program is completed or all funds are expended;
2. When revisions to the Annual Statement are made, which do not require prior HUD approval, (e.g., expenditures for emergency work, revisions resulting from the PHAs application of fungibility); and
3. Upon completion or termination of the activities funded in a specific capital fund program year.

8.2 Capital Fund Program Five-Year Action Plan

PHAs must submit the *Capital Fund Program Five-Year Action Plan* (form HUD-50075.2) for the entire PHA portfolio for the first year of participation in the CFP and annual update thereafter to eliminate the previous year and to add a new fifth year (rolling basis) so that the form always covers the present five-year period beginning with the current year.

8.3 Capital Fund Financing Program (CFFP). Separate, written HUD approval is required if the PHA proposes to pledge any

portion of its CFP/RHF funds to repay debt incurred to finance capital improvements. The PHA must identify in its Annual and 5-year capital plans the amount of the annual payments required to service the debt. The PHA must also submit an annual statement detailing the use of the CFFP proceeds. See guidance on HUD's website at:

<http://www.hud.gov/offices/pih/programs/ph/capfund/cffp.cfm>

9.0 Housing Needs. Provide a statement of the housing needs of families residing in the jurisdiction served by the PHA and the means by which the PHA intends, to the maximum extent practicable, to address those needs. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**

9.1 Strategy for Addressing Housing Needs. Provide a description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**

10.0 Additional Information. Describe the following, as well as any additional information requested by HUD:

- (a) **Progress in Meeting Mission and Goals.** PHAs must include (i) a statement of the PHAs progress in meeting the mission and goals described in the 5-Year Plan; (ii) the basic criteria the PHA will use for determining a significant amendment from its 5-year Plan; and a significant amendment or modification to its 5-Year Plan and Annual Plan. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**
- (b) **Significant Amendment and Substantial Deviation/Modification.** PHA must provide the definition of "significant amendment" and "substantial deviation/modification". **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan.)**

- (c) PHAs must include or reference any applicable memorandum of agreement with HUD or any plan to improve performance. **(Note: Standard and Troubled PHAs complete annually).**

11.0 Required Submission for HUD Field Office Review. In order to be a complete package, PHAs must submit items (a) through (g), with signature by mail or electronically with scanned signatures. Items (h) and (i) shall be submitted electronically as an attachment to the PHA Plan.

- (a) Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulations*
- (b) Form HUD-50070, *Certification for a Drug-Free Workplace (PHAs receiving CFP grants only)*
- (c) Form HUD-50071, *Certification of Payments to Influence Federal Transactions (PHAs receiving CFP grants only)*
- (d) Form SF-LLL, *Disclosure of Lobbying Activities (PHAs receiving CFP grants only)*
- (e) Form SF-LLL-A, *Disclosure of Lobbying Activities Continuation Sheet (PHAs receiving CFP grants only)*
- (f) Resident Advisory Board (RAB) comments.
- (g) Challenged Elements. Include any element(s) of the PHA Plan that is challenged.
- (h) Form HUD-50075.1, *Capital Fund Program Annual Statement/Performance and Evaluation Report (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.1.
- (i) Form HUD-50075.2, *Capital Fund Program Five-Year Action Plan (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.2.

**SUPPORT FILE # 2
CITY OF VIRGINIA BEACH
2009 ANNUAL AGENCY PLAN:

CITY ORDINANCE APPROVAL
HUD 50077
HUD 50077-SL**



CITY OF VIRGINIA BEACH AGENDA ITEM

ITEM: An Ordinance to Adopt the 2009 Annual Housing Choice Voucher Agency Plan and to Authorize the City Manager to Execute and Submit the Plan to the U.S. Department of Housing and Urban Development

MEETING DATE: April 14, 2009

■ **Background:** The City's Department of Housing and Neighborhood Preservation ("DHNP") operates the federally-funded Housing Choice Voucher program ("HCV program"), formerly known as the Section 8 Program. The U.S. Department of Housing and Urban Development ("HUD") requires agencies that operate HCV programs to submit (1) a five-year plan; and (2) an annual plan for each fiscal year in which DHNP receives federal funding for its HCV program. DHNP submitted a five-year plan to HUD in 2005.

■ **Considerations:** The purpose of the annual plan is to update HUD on DHNP's progress in achieving the goals in the five-year plan. As required by HUD, DHNP prepared a 2009 Annual Plan ("Annual Plan"). The Annual Plan describes the operation of the HCV program, and details the strategies employed in satisfying affordable rental housing needs in the City. The Annual Plan consists of a mission statement, long term goals, and a series of strategies to accomplish those goals. In addition to goals and strategies, the Annual Plan contains a description of the various policies used to operate the HCV program. The DHNP is also required by HUD to include a certification in the Annual Plan demonstrating DHNP's compliance with applicable laws, and HUD rules and regulations.

Most of the information contained in the Annual Plan was previously reviewed and adopted by City Council on February 24, 2009, when City Council approved an ordinance authorizing the City Manager to submit an Administrative Plan for the HCV program. The Annual Plan incorporates the previously adopted Administrative Plan, and provides additional plan elements and certifications that are required by HUD annually. The approved Annual Plan must be electronically submitted to HUD no later than April 17, 2009.

■ **Attachments:** Ordinance, Executive Summary

Recommended Action: Adopt Ordinance

Submitting Department/Agency: Department of Housing & Neighborhood Preservation

City Manager:

A handwritten signature in black ink, appearing to be "DM", is written over the City Manager field.

1 AN ORDINANCE TO ADOPT THE 2009 ANNUAL
2 HOUSING CHOICE VOUCHER AGENCY PLAN AND TO
3 AUTHORIZE THE CITY MANAGER TO EXECUTE AND
4 SUBMIT THE PLAN TO THE U.S. DEPARTMENT OF
5 HOUSING AND URBAN DEVELOPMENT
6

7 WHEREAS, the City's Department of Housing and Neighborhood Preservation
8 ("DHNP") operates the federally-funded Housing Choice Voucher program ("HCV
9 program"), formerly known as the Section 8 Program; and
10

11 WHEREAS, the U.S. Department of Housing and Urban Development ("HUD")
12 requires agencies that operate HCV programs to submit (1) a five-year plan; and (2) an
13 annual plan for each fiscal year in which DHNP receives federal funding for its HCV
14 program; and
15

16 WHEREAS, a five-year plan is submitted by DHNP to HUD every five years; and
17

18 WHEREAS, the purpose of the five-year plan is to inform HUD of DHNP's
19 mission, and DHNP's long range goals and objectives for achieving its mission over the
20 subsequent five years; and
21

22 WHEREAS, the purpose of the annual plan is to update HUD on the DHNP's
23 progress in achieving the goals stated in the five-year plan; and
24

25 WHEREAS, DHNP submitted a five-year plan to HUD in 2005; and
26

27 WHEREAS, as required by HUD, DHNP has prepared a 2009 Annual Plan
28 ("Annual Plan"); and
29

30 WHEREAS, the Annual Plan describes the operation of the HCV program, and
31 details the strategies employed in satisfying affordable rental housing needs in the City;
32 and
33

34 WHEREAS, the DHNP is also required by HUD to include a certification in the
35 Annual Plan demonstrating DHNP's compliance with applicable laws, and HUD rules
36 and regulations, in order to continue to operate the HCV program; and
37

38 WHEREAS, an executive summary of the Annual Plan is attached hereto, and a
39 copy of the full Annual Plan is on file with the City Clerk.
40

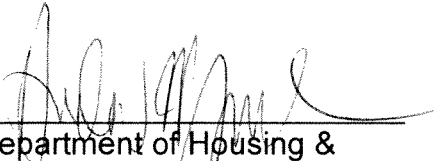
41 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
42 VIRGINIA BEACH, VIRGINIA:
43

44 DHNP's Annual Plan for the Housing Choice Voucher Program is hereby ratified
45 and adopted, and the City Manager is hereby authorized and directed to execute and
46 submit the Annual Plan to the U.S. Department of Housing and Urban Development.

47
48
49

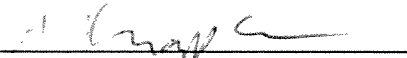
Adopted by the Council of the City of Virginia Beach, Virginia on the 14th
day of April, 2009.

APPROVED AS TO CONTENT:



Department of Housing &
Neighborhood Preservation

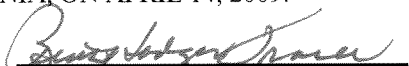
APPROVED AS TO LEGAL
SUFFICIENCY:



City Attorney

CA11079
R-2
April 2, 2009

CERTIFIED TO BE A TRUE COPY OF AN
ORDINANCE ADOPTED BY THE COUNCIL
OF THE CITY OF VIRGINIA BEACH,
VIRGINIA, ON APRIL 14, 2009.



Ruth Hodges Fraser, MMC
City Clerk

**PHA Certifications of Compliance with the PHA Plans and Related Regulations:
Board Resolution to Accompany the PHA 5-Year and 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 ___ 5-Year and or Annual PHA Plan for the PHA fiscal year beginning 7/1/2009 hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA certifies that there has been no change, significant or otherwise, to the Capital Fund Program (and Capital Fund Program/Replacement Housing Factor) Annual Statement(s), since submission of its last approved Annual Plan. The Capital Fund Program Annual Statement/Annual Statement/Performance and Evaluation Report must be submitted annually even if there is no change.
4. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Board or Boards in developing the Plan, and considered the recommendations of the Board or Boards (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
5. The PHA made the proposed 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 Plan and invited public comment.
6. The PHA certifies that it will carry out the 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.
7. 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.
8. For PHA Plan that includes a policy for site based waiting lists:
 - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2006-24);
 - 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(c)(1).
9. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
10. 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.
11. 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.

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 the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
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, the Residential Lead-Based Paint Hazard Reduction Act of 1992, 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), 2 CFR Part 225, 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 Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
20. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the 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 PHA Plan and will continue to be made available at least at the primary business office of the PHA.
21. The PHA provides assurance as part of this certification 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.
22. The PHA certifies that it is in compliance with all applicable Federal statutory and regulatory requirements.


City of Virginia Beach, VA
PHA Name

VA039
PHA Number/HA Code

 5-Year PHA Plan for Fiscal Years 20 - 20

Annual PHA Plan for Fiscal Years 2009 - 2010

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)

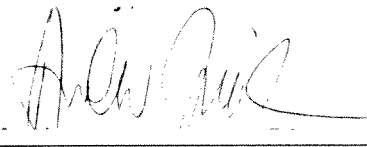
Name of Authorized Official	Title
JAMES K. SPORE	CITY MANAGER
Signature	Date
	April 16, 2009

**Certification by State or Local
Official of PHA Plans Consistency
with the Consolidated Plan**

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 4/30/2011

**Certification by State or Local Official of PHA Plans Consistency with the
Consolidated Plan**

I, Andrew Friedman the Director of VBDHNP certify that the Five Year and
Annual PHA Plan of the City of Virginia Beach is consistent with the Consolidated Plan of
City of Virginia Beach, VA prepared pursuant to 24 CFR Part 91.

 4/17/09

Signed / Dated by Appropriate State or Local Official

**SUPPORT FILE # 3
CITY OF VIRGINIA BEACH
2009 ANNUAL AGENCY PLAN:**

PLAN UPDATE AND REQUIRED ELEMENTS

Narrative on File # 3 Contents

To offer a complete document to HUD, Section 8 voucher holders and the general public, the Virginia Beach Department of Housing and Neighborhood Preservation (VBDHNP) has included (although not required) a copy of its Five Year Plan with our submission. For clarity's sake we have utilized the format from the previous template to update the necessary sections for this year's Annual Plan. In its outline form all of the required sections are included.

Finally we have attached a complete copy of our Administrative Plan which was approved on February 24, 2009 by the Virginia Beach City Council.

Specifically in response to the requirements of the new HUD 50075 template:

Section 6.0 – PHA Plan Update –

1. The Annual Plan and Five Year Plan are available at our administrative office located at 2424 Courthouse Drive in Virginia Beach. It is available for viewing between 8:00 a.m. and 5:00 p.m. , Monday through Friday.
2. Contained in the attachment are all policies and procedures including but not limited to Eligibility, Selection and Admission Policies, Wait List and Deconcentration Policies, Financial Resources, Rent Determination, Operation and Management, and a Review of Housing Needs. We have also included a comprehensive view of housing needs that was developed as part of Virginia Beach's Comprehensive Plan.
3. Fiscal Audits are on file in the Virginia Beach City Offices.

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

PHA Plans

5 Year Plan for Fiscal Years 2005 – 2009

Annual Plan Update and Support Documents for Fiscal
Year 2009

**NOTE: THIS PHA PLANS TEMPLATE (HUD 50075) IS TO BE COMPLETED IN
ACCORDANCE WITH INSTRUCTIONS LOCATED IN APPLICABLE PIH NOTICES**

PHA Plan Agency Identification

PHA Name: City of Virginia Beach Dept. of Housing & Neighborhood Preservation (DHNP) **PHA Number:** VA 039

PHA Fiscal Year Beginning: (mm/yyyy) 07/2009

PHA Programs Administered:

Public Housing and Section 8
 Section 8 Only
 Public Housing Only
 Number of public housing units: Number of S8 units: 1901 Number of public housing units:
 Number of S8 units:

PHA Consortia: (check box if submitting a joint PHA Plan and complete table)

Participating PHAs	PHA Code	Program(s) Included in the Consortium	Programs Not in the Consortium	# of Units Each Program
Participating PHA 1:				
Participating PHA 2:				
Participating PHA 3:				

Public Access to Information

Information regarding any activities outlined in this plan can be obtained by contacting: (select all that apply)

- Main administrative office of the PHA
- PHA development management offices
- PHA local offices

Display Locations For PHA Plans and Supporting Documents

The PHA Plans (including attachments) are available for public inspection at: (select all that apply)

- Main administrative office of the PHA
- PHA development management offices
- PHA local offices
- Main administrative office of the local government
- Main administrative office of the County government
- Main administrative office of the State government
- Public library
- PHA website
- Other (list below)

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

- Main business office of the PHA
- PHA development management offices
- Other (list below)

5-YEAR PLAN
PHA FISCAL YEARS 2005 - 2009
[24 CFR Part 903.5]

A. Mission

State the PHA's mission for serving the needs of low-income, very low income, and extremely low-income families in the PHA's jurisdiction. (select one of the choices below)

- The mission of the PHA is the same as that of the Department of Housing and Urban Development: To promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.
- The PHA's mission is: "Creating quality solutions that expand housing opportunities and promote vibrant, well-maintained neighborhoods"

B. Goals

The goals and objectives listed below are derived from HUD's strategic Goals and Objectives and those emphasized in recent legislation. PHAs may select any of these goals and objectives as their own, or identify other goals and/or objectives. Whether selecting the HUD-suggested objectives or their own, **PHAS ARE STRONGLY ENCOURAGED TO IDENTIFY QUANTIFIABLE MEASURES OF SUCCESS IN REACHING THEIR OBJECTIVES OVER THE COURSE OF THE 5 YEARS.** (Quantifiable measures would include targets such as: numbers of families served or PHAS scores achieved.) PHAs should identify these measures in the spaces to the right of or below the stated objectives.

HUD Strategic Goal: Increase the availability of decent, safe, and affordable housing.

- PHA Goal: Expand the supply of assisted housing
Objectives:
- Apply for additional rental vouchers:
 - Reduce public housing vacancies:
 - Leverage private or other public funds to create additional housing opportunities:
 - Acquire or build units or developments
 - Other (list below)
Assist other Housing organizations to obtain resources for Housing Development
- PHA Goal: Improve the quality of assisted housing
Objectives:
- Improve public housing management: (PHAS score)
 - Improve voucher management: (SEMAP score)
 - Increase customer satisfaction:
 - Concentrate on efforts to improve specific management functions:
(list; e.g., public housing finance; voucher unit inspections)
 - Renovate or modernize public housing units:
 - Demolish or dispose of obsolete public housing:

- Provide replacement public housing:
- Provide replacement vouchers: To continue pro-active coordination with owners of HUD mortgaged properties within the City and the VA State HUD office to transfer the subsidy assistance to the HCV program, through the various conversion processes.
- Other: (list below)

PHA Goal: Increase assisted housing choices

Objectives:

- Provide voucher mobility counseling:
- Conduct outreach efforts to potential voucher landlords
- Increase voucher payment standards
- Implement voucher homeownership program:
- Implement public housing or other homeownership programs:
- Implement public housing site-based waiting lists:
- Convert public housing to vouchers:
- Other: (list below)

HUD Strategic Goal: Improve community quality of life and economic vitality

PHA Goal: Provide an improved living environment

Objectives:

- Implement measures to deconcentrate poverty by bringing higher income public housing households into lower income developments:
- Implement measures to promote income mixing in public housing by assuring access for lower income families into higher income developments:
- Implement public housing security improvements:
- Designate developments or buildings for particular resident groups (elderly, persons with disabilities)
- Other: (list below)
Continually work with Code enforcement Division staff in the DHNP to maintain and improve the livability conditions of all neighborhoods within the City.

HUD Strategic Goal: Promote self-sufficiency and asset development of families and individuals

PHA Goal: Promote self-sufficiency and asset development of assisted households

Objectives:

- Increase the number and percentage of employed persons in assisted families:
- Provide or attract supportive services to improve assistance recipients' employability:
- Provide or attract supportive services to increase independence for the elderly or families with disabilities.
- Other: (list below)
Provide S8 HCV participants with homeownership education and opportunities through the DHNP Homebuyer's Club.

HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans

- PHA Goal: Ensure equal opportunity and affirmatively further fair housing Objectives:
 - Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability:
 - Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, familial status, and disability:
 - Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required:
 - Other: (list below)
To ensure S8 HCV division staff receive training on Fair Housing and Affirmative Action.
To post Equal Opportunity Housing posters in the reception area of the DHNP
Include equal housing opportunity language "on the Section 8 voucher Program application, and the Section 8 Preliminary application, and to offer special accommodations to populations who so request one be made.
To continue to enforce and educate owners/landlords Fair Housing policies

Other PHA Goals and Objectives: (list below)

To continue to enhance program operations and efficiencies through improving and expanding software and other automation

Annual PHA Plan
PHA Fiscal Year 2009
[24 CFR Part 903.7]

i. Annual Plan Type:

Select which type of Annual Plan the PHA will submit.

Standard Plan

Troubled Agency Plan

ii. Executive Summary of the Annual PHA Plan

[24 CFR Part 903.7 9 (r)]

Provide a brief overview of the information in the Annual Plan, including highlights of major initiatives and discretionary policies the PHA has included in the Annual Plan.

Key Initiatives:

- 1) We have created a comprehensive revised Administrative Plan which has detailed all of our policies and procedures with clarity for the use of the public and for improved processing from our housing specialists.
- 2) We are continuing to utilize project-basing of vouchers to expand housing opportunities in two projects which have come online and a new SRO to be called South Bay. It is another innovative project involving regional cooperation. It will have sixty efficiency units. The projects now underway are:
 - a. Cloverleaf Apartments, in which we have provided 44 units of subsidized SRO housing to homeless individuals, in partnership with three other regional cities who provided the other 16 units. It is almost at full occupancy.
 - b. VBCDC has implemented a scattered-site project-based program that will eventually provide subsidized housing for 40 very low income and/or homeless families.
- 3) We are expanding training for program staff to insure program knowledge and therefore compliance with requirements is optimized.
- 4) We are implementing landlord and staff training in Fair Housing as required in order to insure compliance with these requirements.
- 5) We are developing programs to enhance access for households with Limited English Proficiency.
- 6) We are in the planning stages for three new initiatives that will occur in the program year. The specifics of these programs have not yet been defined but they will involve setting up special subsidies for homeless families through the use of a private grant from the Dragas Foundation, a new Tenant Based Rental Assistance Program and a program utilizing Stimulus bill funds in the form of special Emergency Shelter Grants.

iii. Annual Plan Table of Contents

[24 CFR Part 903.7 9 (r)]

Provide a table of contents for the Annual Plan, including attachments, and a list of supporting documents available for public inspection.

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Attachments

Indicate which attachments are provided by selecting all that apply. Provide the attachment's name (A, B, etc.) in the space to the left of the name of the attachment. Note: If the attachment is provided as a **SEPARATE** file submission from the PHA Plans file, provide the file name in parentheses in the space to the right of the title.

Required Attachments:

- Admissions Policy for Deconcentration
- FY 2005 Capital Fund Program Annual Statement
- Most recent board-approved operating budget (Required Attachment for PHAs that are troubled or at risk of being designated troubled ONLY)
- List of Resident Advisory Board Members
- List of Resident Board Member
- Community Service Description of Implementation

- Information on Pet Policy
- Section 8 Homeownership Capacity Statement, if applicable
- Description of Homeownership Programs, if applicable

Optional Attachments:

- PHA Management Organizational Chart
- FY 2005 Capital Fund Program 5 Year Action Plan
- Public Housing Drug Elimination Program (PHDEP) Plan
- Comments of Resident Advisory Board or Boards (must be attached if not included in PHA Plan text)
- Other (List below, providing each attachment name)

Administrative Plan
Housing Needs Analysis

Supporting Documents Available for Review

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	Applicable Plan Component
X	PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations	5 Year and Annual Plans
X	State/Local Government Certification of Consistency with the Consolidated Plan	5 Year and Annual Plans
X	Fair Housing Documentation: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdictions to implement any of the jurisdictions’ initiatives to affirmatively further fair housing that require the PHA’s involvement.	5 Year and Annual Plans
X	Consolidated Plan for the jurisdiction/s in which the PHA is located (which includes the Analysis of Impediments to Fair Housing Choice (AI)) and any additional backup data to support statement of housing needs in the jurisdiction	Annual Plan: Housing Needs
	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources;
	Public Housing Admissions and (Continued) Occupancy Policy (A&O), which includes the Tenant Selection and Assignment Plan [TSAP]	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies
	Public Housing Deconcentration and Income Mixing	Annual Plan: Eligibility,

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Applicable Plan Component
	Documentation: 1. PHA board certifications of compliance with deconcentration requirements (section 16(a) of the US Housing Act of 1937, as implemented in the 2/18/99 <i>Quality Housing and Work Responsibility Act Initial Guidance; Notice</i> and any further HUD guidance) and 2. Documentation of the required deconcentration and income mixing analysis	Selection, and Admissions Policies
	Public housing rent determination policies, including the methodology for setting public housing flat rents <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
	Schedule of flat rents offered at each public housing development <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
X	Section 8 rent determination (payment standard) policies <input checked="" type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Rent Determination
	Public housing management and maintenance policy documents, including policies for the prevention or eradication of pest infestation (including cockroach infestation)	Annual Plan: Operations and Maintenance
	Public housing grievance procedures <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Grievance Procedures
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
	The HUD-approved Capital Fund/Comprehensive Grant Program Annual Statement (HUD 52837) for the active grant year	Annual Plan: Capital Needs
	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grant	Annual Plan: Capital Needs
	Most recent, approved 5 Year Action Plan for the Capital Fund/Comprehensive Grant Program, if not included as an attachment (provided at PHA option)	Annual Plan: Capital Needs
	Approved HOPE VI applications or, if more recent, approved or submitted HOPE VI Revitalization Plans or any other approved proposal for development of public housing	Annual Plan: Capital Needs
	Approved or submitted applications for demolition and/or disposition of public housing	Annual Plan: Demolition and Disposition
	Approved or submitted applications for designation of public housing (Designated Housing Plans)	Annual Plan: Designation of Public Housing
	Approved or submitted assessments of reasonable revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the 1996 HUD Appropriations Act	Annual Plan: Conversion of Public Housing
	Approved or submitted public housing homeownership	Annual Plan:

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Applicable Plan Component
	programs/plans	Homeownership
	Policies governing any Section 8 Homeownership program <input type="checkbox"/> check here if included in the Section 8 Administrative Plan	Annual Plan: Homeownership
	Any cooperative agreement between the PHA and the TANF agency	Annual Plan: Community Service & Self-Sufficiency
X	FSS Action Plan/s for public housing and/or Section 8	Annual Plan: Community Service & Self-Sufficiency
	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports	Annual Plan: Community Service & Self-Sufficiency
	The most recent Public Housing Drug Elimination Program (PHDEP) semi-annual performance report for any open grant and most recently submitted PHDEP application (PHDEP Plan)	Annual Plan: Safety and Crime Prevention
X	The most recent fiscal year audit of the PHA conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h)), the results of that audit and the PHA's response to any findings	Annual Plan: Annual Audit
	Troubled PHAs: MOA/Recovery Plan	Troubled PHAs
	Other supporting documents (optional) (list individually; use as many lines as necessary)	(specify as needed)

1. Statement of Housing Needs

[24 CFR Part 903.7 9 (a)]

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

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

Housing Needs of Families in the Jurisdiction by Family Type							
Family Type	Overall	Afford-ability	Supply	Quality	Access-ibility	Size	Loca-tion
Income <= 30% of AMI	9,190	5	5	4	3	2	3
Income >30% but <=50% of AMI	10,670	5	5	4	3	3	3
Income >50% but <80% of AMI	24,100	4	3	4	4	2	
Elderly	N/A	4	4	4	3	2	3
Families with							

Housing Needs of Families in the Jurisdiction by Family Type							
Family Type	Overall	Afford- ability	Supply	Quality	Access- ibility	Size	Loca- tion
Disabilities	N/A	4	4	4	3	3	3
Race/Ethnicity	N/A						
Race/Ethnicity							
Race/Ethnicity							
Race/Ethnicity							

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

- X Consolidated Plan of the Jurisdiction/s
Indicate year: 2008
- U.S. Census data: the Comprehensive Housing Affordability Strategy (“CHAS”) dataset
- American Housing Survey data
Indicate year:
- Other housing market study
Indicate year:
- X Other sources: (list and indicate year of information)
American Community Survey – 2005

Also please note we have included a detailed Housing Needs Analysis from our City’s Comprehensive Plan.

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

State the housing needs of the families on the PHA's waiting list/s. **Complete one table for each type of PHA-wide waiting list administered by the PHA.** PHAs may provide separate tables for site-based or sub-jurisdictional public housing waiting lists at their option.

Housing Needs of Families on the Waiting List			
Waiting list type: (select one)			
<input checked="" type="checkbox"/> Section 8 tenant-based assistance			
<input type="checkbox"/> Public Housing			
<input type="checkbox"/> Combined Section 8 and Public Housing			
<input type="checkbox"/> Public Housing Site-Based or sub-jurisdictional waiting list (optional)			
If used, identify which development/subjurisdiction:			
	# of families	% of total families	Annual Turnover
Waiting list total	1639		Varies due to purging frequency
Extremely low income <=30% AMI	1150	70.16%	
Very low income (>30% but <=50% AMI)	469	28.62%	
Low income (>50% but <80% AMI)	9	.55%	
Families with children	1356	82.73%	
Elderly families	10	.61%	
Families with Disabilities	37	2.26%	
Race/ethnicity Blk	1313	80.11%	
Race/ethnicity Wht	133	8.11%	
Race/ethnicity Asian	10	.61%	
Race/ethnicity Indian	10	.61%	
Race/ethnicity Hawaiian/Pac. Isl	3	.18%	

Housing Needs of Families on the Waiting List			
Characteristics by Bedroom Size (Public Housing Only)			
1BR			
2 BR			
3 BR			
4 BR			
5 BR			
5+ BR			
Is the waiting list closed (select one)? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes If yes: How long has it been closed (# of months)? 36 Does the PHA expect to reopen the list in the PHA Plan year? X No Yes Does the PHA permit specific categories of families onto the waiting list, even if generally closed? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Only on a limited basis)			

C. Strategy for Addressing Needs

Provide a brief description of the PHA’s strategy for addressing the housing needs of families in the jurisdiction and on the waiting list **IN THE UPCOMING YEAR**, and the Agency’s reasons for choosing this strategy.

(1) Strategies

Need: Shortage of affordable housing for all eligible populations

Strategy 1. Maximize the number of affordable units available to the PHA within its current resources by:

Select all that apply

- Employ effective maintenance and management policies to minimize the number of public housing units off-line
- Reduce turnover time for vacated public housing units
- Reduce time to renovate public housing units
- Seek replacement of public housing units lost to the inventory through mixed finance development
- Seek replacement of public housing units lost to the inventory through section 8 replacement housing resources
- Maintain or increase section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction
- Undertake measures to ensure access to affordable housing among families assisted by the PHA, regardless of unit size required
- Maintain or increase section 8 lease-up rates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration

- Maintain or increase section 8 lease-up rates by effectively screening Section 8 applicants to increase owner acceptance of program
- Participate in the Consolidated Plan development process to ensure coordination with broader community strategies
- Other (list below)

Strategy 2: Increase the number of affordable housing units by:

Select all that apply

- Apply for additional section 8 units should they become available
- Leverage affordable housing resources in the community through the creation of mixed - finance housing
- Pursue housing resources other than public housing or Section 8 tenant-based assistance. Local grant finding and creative use of TBRA Program and the ESG Stimulus Funding
- Other: (list below)
Continue ongoing interactions with local builders, developers, finance providers, non profit organizations and City council members to promote awareness of the needs for an increase of affordable housing units.

Need: Specific Family Types: Families at or below 30% of median

Strategy 1: Target available assistance to families at or below 30 % of AMI

Select all that apply

- Exceed HUD federal targeting requirements for families at or below 30% of AMI in public housing
- Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant-based section 8 assistance
- Employ admissions preferences aimed at families with economic hardships
- Adopt rent policies to support and encourage work
- Other: (list below)

Need: Specific Family Types: Families at or below 50% of median

Strategy 1: Target available assistance to families at or below 50% of AMI

Select all that apply

- Employ admissions preferences aimed at families who are working
- Adopt rent policies to support and encourage work
- Other: (list below)

Need: Specific Family Types: The Elderly

Strategy 1: Target available assistance to the elderly:

Select all that apply

- Seek designation of public housing for the elderly
- Apply for special-purpose vouchers targeted to the elderly, should they become available
- Other: (list below)

Need: Specific Family Types: Families with Disabilities

Strategy 1: Target available assistance to Families with Disabilities:

Select all that apply

- Seek designation of public housing for families with disabilities
- Carry out the modifications needed in public housing based on the section 504 Needs Assessment for Public Housing
- Apply for special-purpose vouchers targeted to families with disabilities, should they become available
- Affirmatively market to local non-profit agencies that assist families with disabilities
- Other: (list below)

Need: Specific Family Types: Races or ethnicities with disproportionate housing needs

Strategy 1: Increase awareness of PHA resources among families of races and ethnicities with disproportionate needs:

Select if applicable

- Affirmatively market to races/ethnicities shown to have disproportionate housing needs
- Other: (list below)

Strategy 2: Conduct activities to affirmatively further fair housing

Select all that apply

- Counsel section 8 tenants as to location of units outside of areas of poverty or minority concentration and assist them to locate those units
- Market the section 8 program to owners outside of areas of poverty /minority concentrations
- X Other: (list below) Provide required training in fair Housing to all new and existing landlords.

Other Housing Needs & Strategies: (list needs and strategies below)

(2) Reasons for Selecting Strategies

Of the factors listed below, select all that influenced the PHA’s selection of the strategies it will pursue:

- Funding constraints
- Staffing constraints
- Limited availability of sites for assisted housing
- Extent to which particular housing needs are met by other organizations in the community
- Evidence of housing needs as demonstrated in the Consolidated Plan and other information available to the PHA
- Influence of the housing market on PHA programs
- Community priorities regarding housing assistance
- Results of consultation with local or state government
- Results of consultation with residents and the Resident Advisory Board
- Results of consultation with advocacy groups
- Other: (list below)

2. Statement of Financial Resources

[24 CFR Part 903.7 9 (b)]

List the financial resources that are anticipated to be available to the PHA for the support of Federal public housing and tenant-based Section 8 assistance programs administered by the PHA during the Plan year. Note: the table assumes that Federal public housing or tenant based Section 8 assistance grant funds are expended on eligible purposes; therefore, uses of these funds need not be stated. For other funds, indicate the use for those funds as one of the following categories: public housing operations, public housing capital improvements, public housing safety/security, public housing supportive services, Section 8 tenant-based assistance, Section 8 supportive services or other.

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
1. Federal Grants (FY 2008 grants)		
a) Public Housing Operating Fund		
b) Public Housing Capital Fund		
c) HOPE VI Revitalization		
d) HOPE VI Demolition		
e) Annual Contributions for Section 8 Tenant-Based Assistance	14,701,043*	Assistance to tenants
f) Public Housing Drug Elimination Program (including any Technical Assistance funds)		
g) Resident Opportunity and Self-Sufficiency Grants		
h) Community Development Block Grant		

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
i) HOME	250,000	TBRA Program to help homeless families
Other Federal Grants (list below)		
Section 8 Operating Funds	1,176,083*	Administration
Mod Rehab Program ACC		
Portability Program funds	75,000	Portability Program Billed vouchers
2. Prior Year Federal Grants (unobligated funds only) (list below)		
3. Public Housing Dwelling Rental Income		
4. Possible Emergency Shelter Grant Funds	400,000	Special subsidies to homeless families
5. Other income (list below)		
FSS	47,000	FSS Program Operations
Fraud Recovery Funds	18,000	9,000 to Section 8 Housing Operations; 9,000 to Voucher Program
6. Non-federal sources (list below)		
Dragas foundation grant	276,000	To provide housing assistance to homeless families
Total resources	16,943,126*	

* Projections due to unknown amount of funds in 2009. This was because of no approved HUD funding bill at time of Plan update.

3. PHA Policies Governing Eligibility, Selection, and Admissions

[24 CFR Part 903.7 9 (c)]

A. Public Housing

Exemptions: PHAs that do not administer public housing are not required to complete subcomponent 3A.

(1) Eligibility

a. When does the PHA verify eligibility for admission to public housing? (select all that apply)

- When families are within a certain number of being offered a unit: (state number)
- When families are within a certain time of being offered a unit: (state time)
- Other: (describe)

b. Which non-income (screening) factors does the PHA use to establish eligibility for admission to public housing (select all that apply)?

- Criminal or Drug-related activity
- Rental history
- Housekeeping
- Other (describe)

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

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

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

(2)Waiting List Organization

a. Which methods does the PHA plan to use to organize its public housing waiting list (select all that apply)

- Community-wide list
- Sub-jurisdictional lists
- Site-based waiting lists
- Other (describe)

b. Where may interested persons apply for admission to public housing?

- PHA main administrative office
- PHA development site management office
- Other (list below)

c. If the PHA plans to operate one or more site-based waiting lists in the coming year, answer each of the following questions; if not, skip to subsection **(3) Assignment**

1. How many site-based waiting lists will the PHA operate in the coming year?

2. Yes No: Are any or all of the PHA's site-based waiting lists new for the upcoming year (that is, they are not part of a previously-HUD-approved site based waiting list plan)?

If yes, how many lists?

3. Yes No: May families be on more than one list simultaneously
If yes, how many lists?

4. Where can interested persons obtain more information about and sign up to be on the site-based waiting lists (select all that apply)?

- PHA main administrative office
 All PHA development management offices
 Management offices at developments with site-based waiting lists
 At the development to which they would like to apply
 Other (list below)

(3) Assignment

- a. How many vacant unit choices are applicants ordinarily given before they fall to the bottom of or are removed from the waiting list? (select one)

- One
 Two
 Three or More

- b. Yes No: Is this policy consistent across all waiting list types?

- c. If answer to b is no, list variations for any other than the primary public housing waiting list/s for the PHA:

(4) Admissions Preferences

- a. Income targeting:

- Yes No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 40% of all new admissions to public housing to families at or below 30% of median area income?

- b. Transfer policies:

In what circumstances will transfers take precedence over new admissions? (list below)

- Emergencies
 Overhoused
 Underhoused
 Medical justification
 Administrative reasons determined by the PHA (e.g., to permit modernization work)
 Resident choice: (state circumstances below)
 Other: (list below)

c. Preferences

1. Yes No: Has the PHA established preferences for admission to public housing (other than date and time of application)? (If “no” is selected, skip to subsection **(5) Occupancy**)
2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences:

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden (rent is > 50 percent of income)

Other preferences: (select below)

- Working families and those unable to work because of age or disability
- Veterans and veterans’ families
- Residents who live and/or work in the jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

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

Date and Time

Former Federal preferences:

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

Other preferences (select all that apply)

- Working families and those unable to work because of age or disability
- Veterans and veterans' families
- Residents who live and/or work in the jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

4. Relationship of preferences to income targeting requirements:

- The PHA applies preferences within income tiers
- Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

(5) Occupancy

a. What reference materials can applicants and residents use to obtain information about the rules of occupancy of public housing (select all that apply)

- The PHA-resident lease
- The PHA's Admissions and (Continued) Occupancy policy
- PHA briefing seminars or written materials
- Other source (list)

b. How often must residents notify the PHA of changes in family composition? (select all that apply)

- At an annual reexamination and lease renewal
- Any time family composition changes
- At family request for revision
- Other (list)

(6) Deconcentration and Income Mixing

a. Yes No: Did the PHA's analysis of its family (general occupancy) developments to determine concentrations of poverty indicate the need for measures to promote deconcentration of poverty or income mixing?

b. Yes No: Did the PHA adopt any changes to its **admissions policies** based on the results of the required analysis of the need to promote deconcentration of poverty or to assure income mixing?

c. If the answer to b was yes, what changes were adopted? (select all that apply)

- Adoption of site-based waiting lists
If selected, list targeted developments below:
- Employing waiting list “skipping” to achieve deconcentration of poverty or income mixing goals at targeted developments
If selected, list targeted developments below:
- Employing new admission preferences at targeted developments
If selected, list targeted developments below:
- Other (list policies and developments targeted below)

d. Yes No: Did the PHA adopt any changes to **other** policies based on the results of the required analysis of the need for deconcentration of poverty and income mixing?

e. If the answer to d was yes, how would you describe these changes? (select all that apply)

- Additional affirmative marketing
- Actions to improve the marketability of certain developments
- Adoption or adjustment of ceiling rents for certain developments
- Adoption of rent incentives to encourage deconcentration of poverty and income-mixing
- Other (list below)

f. Based on the results of the required analysis, in which developments will the PHA make special efforts to attract or retain higher-income families? (select all that apply)

- Not applicable: results of analysis did not indicate a need for such efforts
- List (any applicable) developments below:

g. Based on the results of the required analysis, in which developments will the PHA make special efforts to assure access for lower-income families? (select all that apply)

- Not applicable: results of analysis did not indicate a need for such efforts
- List (any applicable) developments below:

B. Section 8

Exemptions: PHAs that do not administer section 8 are not required to complete sub-component 3B. **Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).**

(1) Eligibility

- a. What is the extent of screening conducted by the PHA? (select all that apply)
- Criminal or drug-related activity only to the extent required by law or regulation
 - Criminal and drug-related activity, more extensively than required by law or regulation
 - More general screening than criminal and drug-related activity (list factors below)
Utility screenings are conducted on all new applicants prior to voucher issuances to confirm that the family is able to have tenant provided utilities connected prior to any HAP commitments.
 - Other (list below)
Check to see if applicant received Section 8 assistance in the past.
- b. Yes No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?
- c. Yes No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?
- d. Yes No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)
- e. Indicate what kinds of information you share with prospective landlords? (select all that apply)
- Criminal or drug-related activity: Such information is provided only when it affects prohibition from program participation. Detailed information is not provided.
 - Other (describe below)

(2) Waiting List Organization

- a. With which of the following program waiting lists is the section 8 tenant-based assistance waiting list merged? (select all that apply)
- None
 - Federal public housing
 - Federal moderate rehabilitation
 - Federal project-based certificate program
 - Other federal or local program (list below)
- b. Where may interested persons apply for admission to section 8 tenant-based assistance? (select all that apply)

- X PHA main administrative office
- X Other (list below)

When the Waiting List is open, interested parties may also obtain application forms from the local Department of Human Services, local libraries, and through the Internet at the City's website.

(3) Search Time

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

If yes, state circumstances below:

Any extensions are considered on a case by case basis. Both applicants and participants are advised that they must make requests for the extension of their vouchers in writing, and are further advised that for extension requests to be considered they must be submitted prior to the stated ending date on initial voucher.

(4) Admissions Preferences

- a. Income targeting

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

- b. Preferences

1. Yes No: Has the PHA established preferences for admission to section 8 tenant-based assistance? (other than date and time of application) (if no, skip to subcomponent **(5) Special purpose section 8 assistance programs**)

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

Former Federal preferences

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- X Victims of domestic violence
- Substandard housing
- X Homelessness
- High rent burden (rent is > 50 percent of income)

Other preferences (select all that apply)

- X Working families and those unable to work because of age or disability
- X Veterans and veterans' families
- X Residents who live and/or work in your jurisdiction

- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

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

Date and Time

Former Federal preferences

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- 2 Victims of domestic violence
- Substandard housing
- 1 Homelessness
- High rent burden

Other preferences (select all that apply)

- 3 Working families and those unable to work because of age or disability
- 4 Veterans and veterans’ families
- 5 Residents who live and/or work in your jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

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

- X Date and time of application
- Drawing (lottery) or other random choice technique

5. If the PHA plans to employ preferences for “residents who live and/or work in the jurisdiction” (select one)

- This preference has previously been reviewed and approved by HUD
- The PHA requests approval for this preference through this PHA Plan

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

- The PHA applies preferences within income tiers
 Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

(5) Special Purpose Section 8 Assistance Programs

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

- The Section 8 Administrative Plan
 Briefing sessions and written materials
 Other (list below)

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

- Through published notices
 Other (list below)
Written notification to identified stakeholders

4. PHA Rent Determination Policies

[24 CFR Part 903.7 9 (d)]

A. Public Housing

Exemptions: PHAs that do not administer public housing are not required to complete sub-component 4A.

(1) Income Based Rent Policies

Describe the PHA's income based rent setting policies for public housing using, including discretionary (that is, not required by statute or regulation) income disregards and exclusions, in the appropriate spaces below.

a. Use of discretionary policies: (select one)

- The PHA will not employ any discretionary rent-setting policies for income based rent in public housing. Income-based rents are set at the higher of 30% of adjusted monthly income, 10% of unadjusted monthly income, the welfare rent, or minimum rent (less HUD mandatory deductions and exclusions). (If selected, skip to sub-component (2))

---or---

- The PHA employs discretionary policies for determining income based rent (If selected, continue to question b.)

b. Minimum Rent

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

- \$0
- \$1-\$25
- \$26-\$50

2. Yes No: Has the PHA adopted any discretionary minimum rent hardship exemption policies?

3. If yes to question 2, list these policies below:

c. Rents set at less than 30% than adjusted income

1. Yes No: Does the PHA plan to charge rents at a fixed amount or percentage less than 30% of adjusted income?

2. If yes to above, list the amounts or percentages charged and the circumstances under which these will be used below:

d. Which of the discretionary (optional) deductions and/or exclusions policies does the PHA plan to employ (select all that apply)

- For the earned income of a previously unemployed household member
- For increases in earned income
- Fixed amount (other than general rent-setting policy)
If yes, state amount/s and circumstances below:

- Fixed percentage (other than general rent-setting policy)
If yes, state percentage/s and circumstances below:

- For household heads
- For other family members
- For transportation expenses
- For the non-reimbursed medical expenses of non-disabled or non-elderly families
- Other (describe below)

e. Ceiling rents

1. Do you have ceiling rents? (rents set at a level lower than 30% of adjusted income)
(select one)

- Yes for all developments
- Yes but only for some developments
- No

2. For which kinds of developments are ceiling rents in place? (select all that apply)

- For all developments
- For all general occupancy developments (not elderly or disabled or elderly only)
- For specified general occupancy developments
- For certain parts of developments; e.g., the high-rise portion
- For certain size units; e.g., larger bedroom sizes
- Other (list below)

3. Select the space or spaces that best describe how you arrive at ceiling rents (select all that apply)

- Market comparability study
- Fair market rents (FMR)
- 95th percentile rents
- 75 percent of operating costs
- 100 percent of operating costs for general occupancy (family) developments
- Operating costs plus debt service
- The "rental value" of the unit
- Other (list below)

f. Rent re-determinations:

1. Between income reexaminations, how often must tenants report changes in income or family composition to the PHA such that the changes result in an adjustment to rent? (select all that apply)

- Never
- At family option
- Any time the family experiences an income increase
- Any time a family experiences an income increase above a threshold amount or percentage: (if selected, specify threshold)_____
- Other (list below)

g. Yes No: Does the PHA plan to implement individual savings accounts for residents (ISAs) as an alternative to the required 12 month

disallowance of earned income and phasing in of rent increases in the next year?

(2) Flat Rents

1. In setting the market-based flat rents, what sources of information did the PHA use to establish comparability? (select all that apply.)

- The section 8 rent reasonableness study of comparable housing
- Survey of rents listed in local newspaper
- Survey of similar unassisted units in the neighborhood
- Other (list/describe below)

B. Section 8 Tenant-Based Assistance

Exemptions: PHAs that do not administer Section 8 tenant-based assistance are not required to complete sub-component 4B. **Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).**

(1) Payment Standards

Describe the voucher payment standards and policies.

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

- At or above 90% but below 100% of FMR
- 100% of FMR
- Above 100% but at or below 110% of FMR
- Above 110% of FMR (if HUD approved; describe circumstances below)

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

- FMRs are adequate to ensure success among assisted families in the PHA's segment of the FMR area
- The PHA has chosen to serve additional families by lowering the payment standard
- Reflects market or submarket
- Other (list below)

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

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

- To increase housing options for families
- Other (list below)

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

- Annually
- Other (list below)
Re-evaluation is also considered and implemented on an “as needed” basis during any time of the year.

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

- Success rates of assisted families
- Rent burdens of assisted families
- Other (list below)

(2) Minimum Rent

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

- \$0
- \$1-\$25
- \$26-\$50

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

5. Operations and Management

[24 CFR Part 903.7 9 (e)]

Exemptions from Component 5: High performing and small PHAs are not required to complete this section. Section 8 only PHAs must complete parts A, B, and C(2)

A. PHA Management Structure

Describe the PHA’s management structure and organization.

(select one)

- An organization chart showing the PHA’s management structure and organization is attached.
- A brief description of the management structure and organization of the PHA follows:
The DHNP is comprised of approximately seventy (70) staff with four (4) distinct Divisions as follows: Administration, Housing Development, Code Enforcement, and Rental Housing. The Department Director is Andrew Friedman. The Rental Housing Division is managed by a Housing Program Administrator. There are

Fifteen (15) full time staff in the Rental Housing Division 9this includes clerical employees)

B. HUD Programs Under PHA Management

— List Federal programs administered by the PHA, number of families served at the beginning of the upcoming fiscal year, and expected turnover in each. (Use “NA” to indicate that the PHA does not operate any of the programs listed below.)

Program Name	Units or Families Served at Year Beginning	Expected Turnover
Public Housing		
Section 8 Vouchers	1,830	70 (net increase needed to ensure proper budget authority utilization)
Section 8 Certificates		
Section 8 Mod Rehab		
Special Purpose Section 8 Certificates/Vouchers (list individually)		
Public Housing Drug Elimination Program (PHDEP)		
Other Federal Programs(list individually)		
HOME funds – TBRA Program for homeless families	0	25
* At the time of plan development there was also the possible use of ESG funds for vouchers. If received a program will be developed to assist homeless families. An approximate total is given.	0	50-75

C. Management and Maintenance Policies

List the PHA's public housing management and maintenance policy documents, manuals and handbooks that contain the Agency's rules, standards, and policies that govern maintenance and management of public housing, including a description of any measures necessary for the prevention or eradication of pest infestation (which includes cockroach infestation) and the policies governing Section 8 management.

(1) Public Housing Maintenance and Management: (list below)

(2) Section 8 Management: (list below)

Housing Choice Voucher Administrative Plan

6. PHA Grievance Procedures

[24 CFR Part 903.7 9 (f)]

Exemptions from component 6: High performing PHAs are not required to complete component 6. Section 8-Only PHAs are exempt from sub-component 6A.

A. Public Housing

1. Yes No: Has the PHA established any written grievance procedures in addition to federal requirements found at 24 CFR Part 966, Subpart B, for residents of public housing?

If yes, list additions to federal requirements below:

2. Which PHA office should residents or applicants to public housing contact to initiate the PHA grievance process? (select all that apply)

- PHA main administrative office
 PHA development management offices
 Other (list below)

B. Section 8 Tenant-Based Assistance

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

If yes, list additions to federal requirements below:

In Informal hearings, DHNP Division Manager's or (their Supervisory designees) or trained Supervisors from the Virginia Beach Department of Human Services serve as hearing Officers. A representative from the Section Management staff also participates at all Informal Hearings.

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

- PHA main administrative office
 Other (list below)

7. Capital Improvement Needs - Not Applicable

[24 CFR Part 903.7 9 (g)]

Exemptions from Component 7: Section 8 only PHAs are not required to complete this component and may skip to Component 8.

A. Capital Fund Activities

Exemptions from sub-component 7A: PHAs that will not participate in the Capital Fund Program may skip to component 7B. All other PHAs must complete 7A as instructed.

(1) Capital Fund Program Annual Statement

Using parts I, II, and III of the Annual Statement for the Capital Fund Program (CFP), identify capital activities the PHA is proposing for the upcoming year to ensure long-term physical and social viability of its public housing developments. This statement can be completed by using the CFP Annual Statement tables provided in the table library at the end of the PHA Plan template **OR**, at the PHA's option, by completing and attaching a properly updated HUD-52837.

Select one:

- The Capital Fund Program Annual Statement is provided as an attachment to the PHA Plan at Attachment (state name)

-or-

- The Capital Fund Program Annual Statement is provided below: (if selected, copy the CFP Annual Statement from the Table Library and insert here)

(2) Optional 5-Year Action Plan

Agencies are encouraged to include a 5-Year Action Plan covering capital work items. This statement can be completed by using the 5 Year Action Plan table provided in the table library at the end of the PHA Plan template **OR** by completing and attaching a properly updated HUD-52834.

- a. Yes No: Is the PHA providing an optional 5-Year Action Plan for the Capital Fund? (if no, skip to sub-component 7B)

b. If yes to question a, select one:

- The Capital Fund Program 5-Year Action Plan is provided as an attachment to the PHA Plan at Attachment (state name)

-or-

- The Capital Fund Program 5-Year Action Plan is provided below: (if selected, copy the CFP optional 5 Year Action Plan from the Table Library and insert here)

B. HOPE VI and Public Housing Development and Replacement Activities (Non-Capital Fund)

Applicability of sub-component 7B: All PHAs administering public housing. Identify any approved HOPE VI and/or public housing development or replacement activities not described in the Capital Fund Program Annual Statement.

- Yes No: a) Has the PHA received a HOPE VI revitalization grant? (if no, skip to question c; if yes, provide responses to question b for each grant, copying and completing as many times as necessary)
b) Status of HOPE VI revitalization grant (complete one set of questions for each grant)

1. Development name:
2. Development (project) number:
3. Status of grant: (select the statement that best describes the current status)

- Revitalization Plan under development
 Revitalization Plan submitted, pending approval
 Revitalization Plan approved
 Activities pursuant to an approved Revitalization Plan underway

- Yes No: c) Does the PHA plan to apply for a HOPE VI Revitalization grant in the Plan year?
If yes, list development name/s below:

- Yes No: d) Will the PHA be engaging in any mixed-finance development activities for public housing in the Plan year?
If yes, list developments or activities below:

- Yes No: e) Will the PHA be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement?
If yes, list developments or activities below:

8. Demolition and Disposition

[24 CFR Part 903.7 9 (h)]

Applicability of component 8: Section 8 only PHAs are not required to complete this section.

1. Yes No: Does the PHA plan to conduct any demolition or disposition activities (pursuant to section 18 of the U.S. Housing Act of 1937

(42 U.S.C. 1437p)) in the plan Fiscal Year? (If “No”, skip to component 9; if “yes”, complete one activity description for each development.)

2. Activity Description

Yes No: Has the PHA provided the activities description information in the **optional** Public Housing Asset Management Table? (If “yes”, skip to component 9. If “No”, complete the Activity Description table below.)

Demolition/Disposition Activity Description
1a. Development name:
1b. Development (project) number:
2. Activity type: Demolition <input type="checkbox"/> Disposition <input type="checkbox"/>
3. Application status (select one) Approved <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application <input type="checkbox"/>
4. Date application approved, submitted, or planned for submission: (DD/MM/YY)
5. Number of units affected:
6. Coverage of action (select one) <input type="checkbox"/> Part of the development <input type="checkbox"/> Total development
7. Timeline for activity: a. Actual or projected start date of activity: b. Projected end date of activity:

9. Designation of Public Housing for Occupancy by Elderly Families or Families with Disabilities or Elderly Families and Families with Disabilities

[24 CFR Part 903.7 9 (i)]

Exemptions from Component 9; Section 8 only PHAs are not required to complete this section.

1. Yes No: Has the PHA designated or applied for approval to designate or does the PHA plan to apply to designate any public housing for occupancy only by the elderly families or only by families with disabilities, or by elderly families and families with disabilities or will apply for designation for occupancy by only elderly families or only families with disabilities, or by elderly families and families with disabilities as provided by section 7 of the U.S. Housing Act of 1937 (42 U.S.C. 1437e) in the upcoming fiscal year? (If “No”, skip to component 10. If “yes”, complete one

activity description for each development, unless the PHA is eligible to complete a streamlined submission; PHAs completing streamlined submissions may skip to component 10.)

2. Activity Description

Yes No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If “yes”, skip to component 10. If “No”, complete the Activity Description table below.

Designation of Public Housing Activity Description
1a. Development name: 1b. Development (project) number:
2. Designation type: Occupancy by only the elderly <input type="checkbox"/> Occupancy by families with disabilities <input type="checkbox"/> Occupancy by only elderly families and families with disabilities <input type="checkbox"/>
3. Application status (select one) Approved; included in the PHA’s Designation Plan <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application <input type="checkbox"/>
4. Date this designation approved, submitted, or planned for submission: (DD/MM/YY)
5. If approved, will this designation constitute a (select one) <input type="checkbox"/> New Designation Plan <input type="checkbox"/> Revision of a previously-approved Designation Plan?
6. Number of units affected: 7. Coverage of action (select one) <input type="checkbox"/> Part of the development <input type="checkbox"/> Total development

10. Conversion of Public Housing to Tenant-Based Assistance

[24 CFR Part 903.7 9 (j)]

Exemptions from Component 10; Section 8 only PHAs are not required to complete this section.

A. Assessments of Reasonable Revitalization Pursuant to section 202 of the HUD FY 1996 HUD Appropriations Act

1. Yes No: Have any of the PHA’s developments or portions of developments been identified by HUD or the PHA as covered under section 202 of the HUD FY 1996 HUD Appropriations Act? (If “No”, skip to component 11; if “yes”, complete one activity description for each identified development, unless

eligible to complete a streamlined submission. PHAs completing streamlined submissions may skip to component 11.)

2. Activity Description

Yes No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If “yes”, skip to component 11. If “No”, complete the Activity Description table below.

Conversion of Public Housing Activity Description
1a. Development name: 1b. Development (project) number:
2. What is the status of the required assessment? <input type="checkbox"/> Assessment underway <input type="checkbox"/> Assessment results submitted to HUD <input type="checkbox"/> Assessment results approved by HUD (if marked, proceed to next question) <input type="checkbox"/> Other (explain below)
3. <input type="checkbox"/> Yes <input type="checkbox"/> No: Is a Conversion Plan required? (If yes, go to block 4; if no, go to block 5.)
4. Status of Conversion Plan (select the statement that best describes the current status) <input type="checkbox"/> Conversion Plan in development <input type="checkbox"/> Conversion Plan submitted to HUD on: (DD/MM/YYYY) <input type="checkbox"/> Conversion Plan approved by HUD on: (DD/MM/YYYY) <input type="checkbox"/> Activities pursuant to HUD-approved Conversion Plan underway
5. Description of how requirements of Section 202 are being satisfied by means other than conversion (select one) <input type="checkbox"/> Units addressed in a pending or approved demolition application (date submitted or approved: <input type="checkbox"/> Units addressed in a pending or approved HOPE VI demolition application (date submitted or approved:) <input type="checkbox"/> Units addressed in a pending or approved HOPE VI Revitalization Plan (date submitted or approved:) <input type="checkbox"/> Requirements no longer applicable: vacancy rates are less than 10 percent <input type="checkbox"/> Requirements no longer applicable: site now has less than 300 units <input type="checkbox"/> Other: (describe below)

B. Reserved for Conversions pursuant to Section 22 of the U.S. Housing Act of 1937

C. Reserved for Conversions pursuant to Section 33 of the U.S. Housing Act of 1937

11. Homeownership Programs Administered by the PHA

[24 CFR Part 903.7 9 (k)]

A. Public Housing

Exemptions from Component 11A: Section 8 only PHAs are not required to complete 11A.

1. Yes No: Does the PHA administer any homeownership programs administered by the PHA under an approved section 5(h) homeownership program (42 U.S.C. 1437c(h)), or an approved HOPE I program (42 U.S.C. 1437aaa) or has the PHA applied or plan to apply to administer any homeownership programs under section 5(h), the HOPE I program, or section 32 of the U.S. Housing Act of 1937 (42 U.S.C. 1437z-4). (If “No”, skip to component 11B; if “yes”, complete one activity description for each applicable program/plan, unless eligible to complete a streamlined submission due to **small PHA** or **high performing PHA** status. PHAs completing streamlined submissions may skip to component 11B.)

2. Activity Description

- Yes No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? (If “yes”, skip to component 12. If “No”, complete the Activity Description table below.)

Public Housing Homeownership Activity Description (Complete one for each development affected)	
1a. Development name:	
1b. Development (project) number:	
2. Federal Program authority:	
<input type="checkbox"/> HOPE I <input type="checkbox"/> 5(h) <input type="checkbox"/> Turnkey III <input type="checkbox"/> Section 32 of the USHA of 1937 (effective 10/1/99)	
3. Application status: (select one)	
<input type="checkbox"/> Approved; included in the PHA’s Homeownership Plan/Program <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application	
4. Date Homeownership Plan/Program approved, submitted, or planned for submission: (DD/MM/YYYY)	

5. Number of units affected:
6. Coverage of action: (select one)
- Part of the development
- Total development

B. Section 8 Tenant Based Assistance

1. Yes No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982 ? (If “No”, skip to component 12; if “yes”, describe each program using the table below (copy and complete questions for each program identified), unless the PHA is eligible to complete a streamlined submission due to high performer status. **High performing PHAs** may skip to component 12.)

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, which statement best describes the number of participants? (select one)

- 25 or fewer participants
- 26 - 50 participants
- 51 to 100 participants
- more than 100 participants

b. PHA-established eligibility criteria

- Yes No: Will the PHA’s program have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria?

If yes, list criteria below:

12. PHA Community Service and Self-sufficiency Programs

[24 CFR Part 903.7 9 (1)]

Exemptions from Component 12: High performing and small PHAs are not required to complete this component. Section 8-Only PHAs are not required to complete sub-component C.

A. PHA Coordination with the Welfare (TANF) Agency

1. Cooperative agreements:

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

If yes, what was the date that agreement was signed? 07/08/2002

2. Other coordination efforts between the PHA and TANF agency (select all that apply)

- Client referrals
- Information sharing regarding mutual clients (for rent determinations and otherwise)
- Coordinate the provision of specific social and self-sufficiency services and programs to eligible families
- Jointly administer programs
- Partner to administer a HUD Welfare-to-Work voucher program
- Joint administration of other demonstration program
- Other (describe)

B. Services and programs offered to residents and participants

(1) General

a. Self-Sufficiency Policies

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

- Public housing rent determination policies
- Public housing admissions policies
- Section 8 admissions policies
- Preference in admission to section 8 for certain public housing families
- Preferences for families working or engaging in training or education programs for non-housing programs operated or coordinated by the PHA
- Preference/eligibility for public housing homeownership option participation
- Preference/eligibility for section 8 homeownership option participation
- Other policies (list below)

b. Economic and Social self-sufficiency programs

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

Services and Programs				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/random selection/specific criteria/other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing or section 8 participants or both)
<i>HOME OWNERSHIP PROGRAM</i>	35	<i>Based on households capability to purchase a home</i>	<i>DHNP Main Office</i>	<i>Section 8 and other low moderate income households in the City</i>
HOMEBUYER'S CLUB	10	Household Interest	DHNP Main Office	Section 8 and other low moderate income households in the City

(2) Family Self Sufficiency program/s

a. Participation Description

Family Self Sufficiency (FSS) Participation		
Program	Required Number of Participants (start of FY 2005 Estimate)	Actual Number of Participants (As of: 04/01/2008)
Public Housing		
Section 8	6	19

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

C. Welfare Benefit Reductions

1. The PHA is complying with the statutory requirements of section 12(d) of the U.S. Housing Act of 1937 (relating to the treatment of income changes resulting from welfare program requirements) by: (select all that apply)
- Adopting appropriate changes to the PHA's public housing rent determination policies and train staff to carry out those policies
 - Informing residents of new policy on admission and reexamination
 - Actively notifying residents of new policy at times in addition to admission and reexamination.
 - Establishing or pursuing a cooperative agreement with all appropriate TANF agencies regarding the exchange of information and coordination of services
 - Establishing a protocol for exchange of information with all appropriate TANF agencies
 - Other: (list below)

D. Reserved for Community Service Requirement pursuant to section 12(c) of the U.S. Housing Act of 1937
--

13. PHA Safety and Crime Prevention Measures

[24 CFR Part 903.7 9 (m)]

Exemptions from Component 13: High performing and small PHAs not participating in PHDEP and Section 8 Only PHAs may skip to component 15. High Performing and small PHAs that are participating in PHDEP and are submitting a PHDEP Plan with this PHA Plan may skip to sub-component D.

A. Need for measures to ensure the safety of public housing residents

1. Describe the need for measures to ensure the safety of public housing residents (select all that apply)
- High incidence of violent and/or drug-related crime in some or all of the PHA's developments
 - High incidence of violent and/or drug-related crime in the areas surrounding or adjacent to the PHA's developments
 - Residents fearful for their safety and/or the safety of their children
 - Observed lower-level crime, vandalism and/or graffiti
 - People on waiting list unwilling to move into one or more developments due to perceived and/or actual levels of violent and/or drug-related crime
 - Other (describe below)

2. What information or data did the PHA use to determine the need for PHA actions to improve safety of residents (select all that apply).

- Safety and security survey of residents
- Analysis of crime statistics over time for crimes committed “in and around” public housing authority
- Analysis of cost trends over time for repair of vandalism and removal of graffiti
- Resident reports
- PHA employee reports
- Police reports
- Demonstrable, quantifiable success with previous or ongoing anticrime/anti drug programs
- Other (describe below)

3. Which developments are most affected? (list below)

B. Crime and Drug Prevention activities the PHA has undertaken or plans to undertake in the next PHA fiscal year

1. List the crime prevention activities the PHA has undertaken or plans to undertake: (select all that apply)

- Contracting with outside and/or resident organizations for the provision of crime- and/or drug-prevention activities
- Crime Prevention Through Environmental Design
- Activities targeted to at-risk youth, adults, or seniors
- Volunteer Resident Patrol/Block Watchers Program
- Other (describe below)

2. Which developments are most affected? (list below)

C. Coordination between PHA and the police

1. Describe the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities: (select all that apply)

- Police involvement in development, implementation, and/or ongoing evaluation of drug-elimination plan
- Police provide crime data to housing authority staff for analysis and action
- Police have established a physical presence on housing authority property (e.g., community policing office, officer in residence)
- Police regularly testify in and otherwise support eviction cases

- Police regularly meet with the PHA management and residents
 - Agreement between PHA and local law enforcement agency for provision of above-baseline law enforcement services
 - Other activities (list below)
2. Which developments are most affected? (list below)

D. Additional information as required by PHDEP/PHDEP Plan

PHAs eligible for FY 2005 PHDEP funds must provide a PHDEP Plan meeting specified requirements prior to receipt of PHDEP funds.

- Yes No: Is the PHA eligible to participate in the PHDEP in the fiscal year covered by this PHA Plan?
- Yes No: Has the PHA included the PHDEP Plan for FY 2005 in this PHA Plan?
- Yes No: This PHDEP Plan is an Attachment. (Attachment Filename: ____)

14. RESERVED FOR PET POLICY

[24 CFR Part 903.7 9 (n)]

15. Civil Rights Certifications

[24 CFR Part 903.7 9 (o)]

Civil rights certifications are included in the PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations.

16. Fiscal Audit

[24 CFR Part 903.7 9 (p)]

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

17. PHA Asset Management

[24 CFR Part 903.7 9 (q)]

Exemptions from component 17: Section 8 Only PHAs are not required to complete this component. High performing and small PHAs are not required to complete this component.

1. Yes No: Is the PHA engaging in any activities that will contribute to the long-term asset management of its public housing stock , including how the Agency will plan for long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs that have **not** been addressed elsewhere in this PHA Plan?

2. What types of asset management activities will the PHA undertake? (select all that apply)
 - Not applicable
 - Private management
 - Development-based accounting
 - Comprehensive stock assessment
 - Other: (list below)

3. Yes No: Has the PHA included descriptions of asset management activities in the **optional** Public Housing Asset Management Table?

18. Other Information

[24 CFR Part 903.7 9 (r)]

A. Resident Advisory Board Recommendations

1. Yes No: Did the PHA receive any comments on the PHA Plan from the Resident Advisory Board/s?

2. If yes, the comments are: (if comments were received, the PHA **MUST** select one)
 Attached at Attachment (File name) **Support File #4**
Provided below:

3. In what manner did the PHA address those comments? (select all that apply)
 Considered comments, but determined that no changes to the PHA Plan were necessary.
 The PHA changed portions of the PHA Plan in response to comments
List changes below:

 Other: (list below)

**CITY OF VIRGINIA BEACH
HOUSING CHOICE VOUCHER/SECTION 8 PROGRAM
RESIDENT ADVISORY BOARD**

NAME & ADDRESS	TITLE
SECTION 8 STAFF	
Dale Gravett Dept of Housing	Section 8 Administrator
Candace Bowser Dept of Housing	Section 8 Coordinator
Rokel Tabb Dept of Housing	Administrative Assistant
BOARD MEMBERS	
Carolyn Hightower 1029 College Park Blvd, #262 Virginia Beach, VA 23464	Board Member
Debra Grant 5636 Dodington Court Virginia Beach, VA 23462	Board Member
Esther Anderson 1025 College Park Blvd, #117 Virginia Beach, VA 23464	Board Member
Mark Renwick 201 Shortleaf Court, #102 Virginia Beach, VA 23452	Board Member
Patricia Mock 4837 Old Wick Court Virginia Beach, VA 23462	Board Member
Sylvia Andrews 1033 College Park Blvd, #373 Virginia Beach, VA 23464	Board Member
Traci Brower 3229 Lakecrest Dr. Virginia Beach, VA 23452	Board Member
Ebony Parsons 5505 Old Guard Crescent Virginia Beach, VA 23462	Board Member

B. Description of Election process for Residents on the PHA Board

1. X Yes No: Does the PHA meet the exemption criteria provided section 2(b)(2) of the U.S. Housing Act of 1937? (If no, continue to question 2; if yes, skip to sub-component C.) Our agency is Section 8 only and is a department in the municipal government. There is an elected Council.

2. Yes No: Was the resident who serves on the PHA Board elected by the residents? (If yes, continue to question 3; if no, skip to sub-component C.)

3. Description of Resident Election Process

a. Nomination of candidates for place on the ballot: (select all that apply)

- Candidates were nominated by resident and assisted family organizations
- Candidates could be nominated by any adult recipient of PHA assistance
- Self-nomination: Candidates registered with the PHA and requested a place on ballot
- Other: (describe)

b. Eligible candidates: (select one)

- Any recipient of PHA assistance
- Any head of household receiving PHA assistance
- Any adult recipient of PHA assistance
- Any adult member of a resident or assisted family organization
- Other (list)

c. Eligible voters: (select all that apply)

- All adult recipients of PHA assistance (public housing and section 8 tenant-based assistance)
- Representatives of all PHA resident and assisted family organizations
- Other (list)

C. Statement of Consistency with the Consolidated Plan

For each applicable Consolidated Plan, make the following statement (copy questions as many times as necessary).

1. Consolidated Plan jurisdiction:
City of Virginia Beach

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

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

4. The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments: (describe below)

D. Other Information Required by HUD

Use this section to provide any additional information requested by HUD.

Any other information is included in attached files

**SUPPORT FILE # 4
CITY OF VIRGINIA BEACH
2009 ANNUAL AGENCY PLAN:**

**REPORT ON PROGRESS MEETING
MISSION AND GOALS**

AND

**STATEMENT ON SIGNIFICANT AMENDMENTS
AND/OR
SUBSTANTIAL MODIFICATIONS OR DEVIATIONS**

Summary of Progress in Meeting Strategic Goals:

The Virginia Beach Department of Housing and Neighborhood Preservation (VBDHNP) has made substantial progress in achieving the strategic goals outlined in our Five Year Plan.

Goal – Expand the supply of assisted housing

During the past year VBDHNP has partnered with it's regional sister cities to open an SRO for homeless individuals. The Cloverleaf Apartments consists of sixty units primarily funded through project based vouchers from VBDHNP. A new SRO is planned in cooperation with the City of Portsmouth. We have also begun a project based program for homeless families. That project is being accomplished with our partner, the Virginia Beach Community Development Corporation.

Goal – Improve the quality of assisted housing

We have worked diligently with our HUD representatives to improve our SEMAP ranking and, based on our latest technical assistance visit from them, appear to be improving very significantly. We have instituted several quality control procedures to ensure delivery of a good housing product to our clients. Our new quality control HQS inspections has resulted in a marked improvement in unit conditions.

Goal – Increase assisted housing choices

We have employed a housing broker to assist clients in finding quality affordable housing. VBDHNP has also created a proactive housing counseling service to help broaden housing choices for clients.

Goal – Improve community quality of life and economic vitality

The Rental Housing Division of VBDHNP continued to work closely with the municipality's Code Enforcement Division to improve the conditions in the various neighborhoods within which our clients live.

Goal – Promote self-sufficiency and asset development of assisted households

We have an active Family Self Sufficiency Program and encourage our clients to participate in our Homebuyer's Club.

Goal – Ensure equal opportunity in housing for all Americans

VBDHNP has instituted an aggressive fair housing program. All staff and all landlords are required to attend annual certification training.

Goal – Improve efficiency through continued improvement in software and automation

VBDHNP has recently installed software to perform our rent reasonableness studies and to do our utility allowance analysis. This will result in cost savings and greater accuracy in computing payments for our clients.

Other accomplishments during the year:

- **Improved utilization monitoring and achieved target of 99% use of budget authority.**
- **Authored a completely revised Administrative Plan**
- **Reorganize the rental Housing Division**
- **Began planning for an initiative to reduce homelessness in Virginia Beach**
- **Adopted a new housing preference system to target disadvantaged families and to help ensure they receive assistance**



There were no Significant Amendments and/or Substantial Deviations or Modifications During the Program Year

Statement on Mission and Goals –

**SUPPORT FILE # 5
CITY OF VIRGINIA BEACH
2009 ANNUAL AGENCY PLAN:**

**EVIDENCE OF PUBLIC ADVERTISEMENT
AND ANY PUBLIC COMMENTS
AND/OR COMMENTS BY THE
RESIDENT ADVISORY BOARD**

THE VIRGINIAN-PILOT
NORFOLK, VIRGINIA
AFFIDAVIT OF PUBLICATION

The Virginian-Pilot

Jasmie Dizon
CITY VB/HOUSING & NEIGHBORHOOD
2401 COURTHOUSE DR
1-BASEMENT
VIRGINIA BEACH, VA 23456

REFERENCE: 00020599
19886002 NOTICE OF PUBLIC HEA

State of Virginia
City of Norfolk

This day, Jacqueline Whitfield, personally appeared before me and, after being duly sworn, made oath that: 1) She is affidavit clerk of The Virginian-Pilot, a newspaper published by The Virginian-Pilot Media Companies, LLC, in the cities of Norfolk, Portsmouth, Chesapeake, Suffolk, and Virginia Beach, Commonwealth of Virginia, and in the state of North Carolina 2) That the advertisement hereto annexed has been published in said newspaper on


PUBLISHED ON: 02/21


TOTAL COST: 624.00
FILED ON: 02/28/09 AD SPACE: 8.000 INCH

Legal Affiant Jasmie Dizon

Subscribed and sworn to before me in my city and state on the day and year
aforesaid this 6 of March in the year of 2009. (NRN:7145124)

Notary: [Signature] My commission expires October 31, 2011

 **City of Virginia Beach**
Department of Housing
and Neighborhood Preservation
Housing Choice Voucher
(Section 8) Program

 **NOTICE OF PUBLIC HEARING**
2009-2010 Agency Plan

Thursday, April 7, 2009 at 10:00 a.m.
Department of Housing and Neighborhood Preservation
2424 Courthouse Drive
Municipal Center, Building 18A
Virginia Beach, VA 23456

The City of Virginia Beach Department of Housing and Neighborhood Preservation has scheduled a public hearing at the time and place indicated above for the purpose of allowing residents and members of the general public to provide comments on the Agency Plan.

The Agency Plan is available for review at the above office during the hours of 8:30 a.m. - 5:00 p.m., Monday through Friday. The Agency Plan describes the operations of the Section 8 Housing Choice Voucher Program in Virginia Beach.

If you cannot attend the public hearing you may submit written comments to the above listed address, send an email to dgravelle@vbgov.com, or fax your response to 757-385-5786.

For more information, please call Dale Gravelle, Rental Housing Administrator, at 757-385-5750 or 757-385-5794 (TDD for the hearing impaired).

**DEPARTMENT OF HOUSING & NEIGHBORHOOD
PRESERVATION
HOUSING CHOICE VOUCHER PROGRAM/SECTION 8
AGENCY PLAN
PUBLIC HEARING SIGN IN SHEET
Tuesday, April 7, 2009
(10:00 – 11:00 AM)**

NAME	ADDRESS	PHONE NUMBER
Harold Banks	967 Military Hwy #23464	(757) 471-1413

NO COMMENTS RECEIVED



Endependence Center Incorporated

Stephen L. Johnson, Executive Director

April 13, 2009

Andy Friedman
Director
Virginia Beach Department of Housing and Neighborhood Development
2424 Courthouse Drive, Bldg 18A
Virginia Beach, VA 23456

RE: 2009 Agency Annual Plan draft

Dear Mr. Friedman:

We have reviewed the 2009 Agency Plan draft and would like to present the following comments:

For the Housing Need section, we request that VBDHNP include HUD's CHAS data that shows the housing need of individuals with mobility and self-care limitations. According to the CHAS data, 2,059 non-senior renters with mobility and self-care limitations have a housing problem. We recommend that this data be utilized to represent "families with disabilities" for the Housing Needs table. Other than having no data to report, it is recommended to provide as much data on the disability community that is available.

As you know according to the *Olmstead* Supreme Court ruling, people who are unnecessarily placed in institutional settings are experiencing discrimination. HUD encourages the local housing agencies to implement strategies that create affordable housing options to enable institutionalized individuals to be able to transition to the community. For the Housing Needs section, we also recommend that VBDHNP show data from the Centers for Medicare and Medicaid Services (CMS) depicting the number of residents who have indicated that they would like to return to the community. CMS most recently reported that 353 residents in Virginia Beach nursing homes want to transition. We are not able to specify the number with a housing need; however, based on our experience of conducting on-going outreach, we can certify that a majority of those who want to transition are low-income and have a housing need.

The draft Plan shows that 37 families (2.26% of total families) are on the Section 8 wait list. We believe that this represents a much lower need than that which exists for the disability community. Virginia Beach Housing has identified a strategy to affirmatively market to local agencies that assist persons with disabilities. We would like to recommend that entities such as nursing facilities, long-stay hospitals and ICFs/MR be included

The Center for Independent Living serving South Hampton Roads

6300 East Virginia Beach Blvd.
Norfolk, VA 23502-2827

(757) 461-8007/V (757) 461-7527/TDD (757) 455-8223/Fax (757) 461-5375/Fax
www.endependence.org ecinorlf@endependence.org

as contacts for disseminating notifications on available affordable housing opportunities.

VBDHNP has stated the goal to increase the number of affordable housing units by applying for additional Section 8 units and creating affordable housing through mixed income financing and identifying other resources than Section 8. The agency's goal is also to assist other housing organizations with obtaining resources for housing development. We recommend that within integrated housing developments that affordable, accessible units be set aside or prioritized to persons with disabilities who need accessible features. We also recommend that new constructed or rehabilitated housing include universal design features. We also request that as Virginia Beach Housing work with other housing entities to provide them information on the importance of incorporating universal design features and creating accessible units above the minimum required number per HUD 504 regulations, at 10 – 15% of the total units.

Virginia Beach Housing has identified in the draft annual plan to utilize HOME TBRA funds. We recommend that VBDHNP apply for HOME funds to conduct a TBRA project targeting individuals in institutional settings, such as nursing homes.

To increase housing opportunities for individuals with disabilities, the Plan includes a strategy to apply for special purpose vouchers targeted to families with disabilities. We recommend that a portion of these special purpose vouchers specifically target institutionalized individuals who want to transition to the community. We also recommend that Virginia Beach Housing utilizes its existing mainstream and fair share vouchers to target people who are segregated in institutions.

According to the Administrative Plan, a preference for people with disabilities has been established carrying 50 points. We support this preference as it is not only a community need but it also allows the disability community to be ranked separate from working families. However, as suggested by HUD, we recommend that a preference also be set for institutionalized individuals. Other than there being a community need for this preference, people in institutions experience institutional barriers such as isolation, not being readily aware of opportunities through media, and lack of transportation, telephone and internet access to be able to apply as quickly as others. This preference would also enable VBDHNP to target and set aside new and existing Section 8 HCVs to people in institutions offering them immediate access to affordable housing. This strategy will help de-institutionalization and increased community integration to occur at a reasonable pace.

We value our working relationship with Virginia Beach Housing and appreciate your efforts in increasing affordable, accessible, integrated housing opportunities for persons with disabilities.

Sincerely,

Vantoria Clay
Housing and Transportation Coordinator

**City of Virginia Beach Department of Housing & Neighborhood
Preservation
Housing Choice Voucher Program – Residents’ Advisory Board
(R.A.B)**

AGENDA

Tuesday, March 24, 2009

5:30 p.m. – 7:00 p.m.

Location: Dept. of Housing (Bldg #18-A) Conference Room

Topics for Discussion:

- **Review of Minutes**
- **Introduction of Dale Gravett, Section 8 Program Administrator**
- **Section 8 Division Update**
- **Review & Discuss the S8 Administrative Plan**
- **Review & Discuss the S8 Agency Plan & Public Hearing**
- **TBRA clients transfer back to HCV**
- **Comments/Concerns**
- **Adjournment**

Note: Next RAB Meeting will be on Tuesday, July 23, 2009.

RESIDENT ADVISORY BOARD

MARCH 24, 2009 MINUTES

The Resident Advisory Board for the Housing Choice Voucher Program of the City of Virginia Beach met on Tuesday, March 24, 2009 at 5:30 PM in the Conference Room of Bldg. #18A of the DHNP.

Attendance: Debra Grant, Harold Barksdale, Dale Gravett, Candace Bowser, and Rokel Tabb

Dale Gravett, S8 Administrator, opened the meeting with the introduction of RAB members and City Staff. Mr. Harold Barksdale attended the meeting for the first time and accepted Dale's invitation to become a RAB member.

The Admin Plan binders were given to all RAB member at tonight's meeting.

The minutes from the January 27, 2009 RAB Meeting were reviewed and approved by the Board.

Topics Discussed:

SECTION 8 UPDATE:

DHNP received a \$500,000 grant from the Dragas Co. to be used for helping homeless/handicapped families with children under the age of 18 with financial assistance for housing. DHNP has started an internal system with the hiring of (1) housing broker and (2) housing case managers. A plan is being developed to provide homeless families with the support they need to obtain affordable housing.

The DHNP will be receiving \$1,000,000.00 of Stimulus funding which will be used for assisting families and individuals from becoming homeless by providing moving expenses and rental security deposits. The subsidies will be for a 1 to 3 month period only.

DHNP is in the process of creating a new TBRA Program for homeless families beginning on July 1, 2009. The subsidies will be for a period of 12 to 24 months. The newly hired case managers and housing broker will be working on this project.

AGENCY PLAN SUBMISSION TO HUD:

Dale explained that the Agency Plan is updated and submitted to HUD annually. Before it can be submitted to HUD, a public hearing notice must appear in the newspaper allowing the public an opportunity to review the plan and provide feedback. The public hearing has been scheduled for Tuesday, April 7, 2009 at 10:00 am in the DHNP Conference Room. Dale would like as many RAB members to show up for the hearing as possible.

This is the first time DHNP has had a S8 Admin Plan that governs the S8 program approved by City Council. The plan may need changes from time to time due to program changes, changes in funding and participants' needs.

WAITING LIST:

Most S8 agencies in this country follow the housing preference system. DHNP picked the lottery method for our waiting list. DHNP will be sending an update form to all active participants on the S8 waiting list to list their preferences. All returned update forms will be entered into our database and the waiting list will be re-organized based on the preference points. S8 applicants with the most preference points will be closer to the top of the waiting list.

S8 Inspection Procedures:

In the past there have been problems with inspection that were too close to re-cert renewals. S8 will follow a very strict inspection procedure from now on. The rent will be abated if the repairs on failed inspections do not pass by the re-cert date. If the owner does not make the repairs by the deadline, S8 will alert the S8 client approximately 30 days before their renewals that S8 will not be paying the rent on this property. This will allow the client time to find another rental unit.

Other Discussion Items:

- The rental housing division will be operating the front desk starting on April 1st. The former front desk operation created complaints from inside/outside the organization. DHNP believes the new format will enable us to provide our clients with better customer service.
- S8 will no longer automatically grant rent increases to landlords. The rent increases will have to be justified by rent comparables. If the rent is not justified, we will deny the rent increase. DHNP has purchased a computer program that will prepare the rent comparables for S8.
- The Nelrod Co. will prepare our utility allowance schedules. The new utility schedules will be effective July 1, 2009. Nelrod has prepared utility allowance schedules for Chesapeake and Norfolk.
- With all the positive changes going on in DHNP, S8 might be able to pull 80 to 100 applicants off the waiting list this summer.
- Cloverleaf Apartments is completely leased up. The remaining 150+ applicants on the waiting list will be pulled when a vacancy occurs.
- The Agency Plan Public Hearing will be on Tuesday, April 7, 2009 at 10:00 am in the DHNP Conference Room. If you are unable to attend the public hearing, please review the Admin Plan and send your comments to Dale.
- 7 families have been leased up by VBCDC for their Project Based Program as of March 2009. VBCDC is planning to lease up to (40) families (2/3 per month) in the next year.
- Please send ideas and information you would like to see in the RAB Newsletter to Candace. The next edition of the RAB Newsletter will be ready in April 2009.

Meeting was adjourned at 6:40 pm and the next meeting will be on Tuesday, June 23, 2009.

**Virginia Beach Housing Needs
Assessment and Market Analysis
2000-2020**

Prepared for

The City of Virginia Beach

Prepared by

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Virginia Tech
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April 2005



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Summary

At the request of the City of Virginia Beach, the Virginia Tech Center for Housing Research conducted a comprehensive assessment of affordable housing demand and housing needs for the City.¹ This assessment reviewed the most recent demographic and housing data available, evaluated past trends and projected housing demand through to 2020. The study's major findings include:

- Vacancy rates for owner and renter housing have dropped well below the level needed to accommodate demand and indicate that housing available on the market is increasingly scarce. Whereas a vacancy rate of at least 5% is considered necessary to provide an adequate supply of housing for home seekers, the ownership vacancy rate in 2000 was only 1.5% and fell below 1% in 2003 (the most recent date available), reflecting an extremely tight market. Rental vacancy rates also point to a shortage of housing in Virginia Beach. In 2000, the rental vacancy rate was 4.0% in the City, well below the national rate of 6.8%. By 2003 the rental vacancy rate fell to only 2.5%, whereas rental vacancy rates were increasing in both the nation and in Virginia as a whole. More recent evidence suggests vacant rental units have become even scarcer in Virginia Beach, despite a surge in ownership demand fueled by low interest rates.
- Housing prices have escalated rapidly and the supply of affordable housing is decreasing. The range of prices below the median (\$154,000 in 2003) has clustered closer to the median as the supply of houses below \$125,000 has declined significantly. Houses with values below \$50,000 are virtually non-existent and the number of houses between \$50,000 and \$100,000 has declined substantially.
- First-time homebuyers are in danger of being squeezed out of the Virginia Beach housing market. Between 2000 and 2004, first-time homebuyers with incomes below \$50,000 faced a dwindling supply of houses that they could afford and must compete for the available supply with homebuyers with higher incomes, including repeat buyers. Home seekers priced out of ownership will turn to the rental market (already very tight) or move out of Virginia Beach to find affordable housing.
- The City had a deficit of 8,500 affordable rental units in the year 2000. Consequently, low-income renters were forced to spend large portions of their incomes (often in excess of half) in order to obtain housing. Low-income homeowners also face a shortage of affordable units, with a deficit of about 6,000 affordable owner units in 2000. As with low-income renters, this gap forces low-income owners to pay excessively high portions of their income for their housing.

¹ For further information contact the Virginia Tech Center for Housing Research, Mail Code 0451, Blacksburg, Virginia 24061. Phone 540.231.3993, FAX 540.231.7331; email mcavell@vt.edu; website: <http://www.caus.vt.edu/vchr>

- Housing demand from military personnel is part of the City's affordable housing challenge. Among the naval bases in Virginia Beach, nearly 10,000 housing units are needed in the private housing market.
- The housing market is not keeping up with housing demand related to the expansion of civilian jobs and housing affordable to low and modest income workers is increasingly hard to find. Between 1990 and 2000, the number of wage and salary jobs in Virginia Beach (excluding non-civilian military employment) increased by 53,300 jobs. Given the average number of workers per household in Virginia Beach, 53,300 jobs equates to housing demand for 37,450 units. However, the supply of housing units only increased (net) by 15,240 units, leaving a deficit of 22,210 units in 2000. Between 2000 and 2002, housing production was sufficient to keep up with job growth but inadequate to offset the earlier deficit. Two jobs are often necessary for low and modest wage workers to afford housing in Virginia Beach.
- Commuting out of Virginia Beach is decreasing and commuting in is increasing. There was a 45% increase in the total number of commuters into Virginia Beach between 1990 and 2000, with the largest percent increases from Suffolk, Newport News and Hampton. While there was a 2% decrease in the number of workers commuting out of Virginia Beach and a 9% increase in workers who both live and work in Virginia Beach, Virginia Beach was still a net exporter of commuters in 2000, as more people commuted out of the City to work (94,687) than commuted in (45,655).
- Although household incomes in Virginia Beach kept up with inflation between 1990 and 2000 at the median (with a 2% gain in real income), higher income households had significant gains above inflation while lower-income households had significant losses in real income. Households below the median income are losing ground to housing costs.
- The Black-White income gap is large but becoming narrower and while homeownership is increasing overall, however a significant gap remains between ownership rates for blacks compared to whites. Among racial and ethnic groups, Virginia Beach's Asian households had the highest homeownership rate at 72.8% in 2000 compared to whites at 69.7% and blacks at 48.7%.
- Female-headed families and elderly females living alone are heavily impacted by poverty. The majority of households that fall below the poverty level are female-headed households (62%). Females are particularly vulnerable to reductions in income due to family dissolution, which can significantly reduce housing consumption and increase cost burdens.
- There were nearly 12,000 households with worst case housing needs in 2000, including the elderly and persons with disabilities.

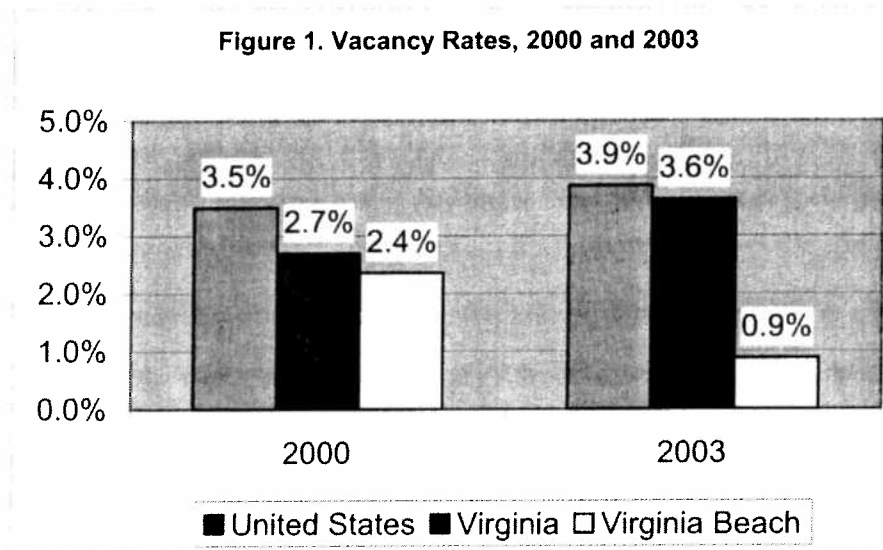
- Population growth has slowed considerably for the City and the region. Between 1980 and 1990, the City's population increased by nearly 50%. However, during the 1990s, Virginia Beach's growth rate dropped to 8%. More people are now moving out of Virginia Beach than moving in. The Virginia Employment Commission (VEC) projects growth for the City of 5% from 2000-2010 and between 3-4% per decade thereafter.
- Even with slowing population growth, more than 10,000 additional housing units will be needed to meet projected demand during this decade, including 2,600 additional units affordable to households with incomes below \$35,000.

Housing Market Characteristics

Vacancy Rates

The vacancy rate is a key indicator of the adequacy of the supply of housing relative to demand and a five percent vacancy rate is largely accepted as a minimum benchmark for a sufficient number of housing units available for occupancy by people searching for housing. Vacancy rates below five percent often reflect “tight” housing markets where prices can escalate rapidly; rates significantly above five percent can reflect “weak” markets where prices (and maintenance) can be depressed by an excess supply of housing.

The most recent evidence shows that the Virginia Beach housing market has become increasingly tighter during the current decade compared to the State of Virginia and the nation as a whole. According to the American Community Surveys data for 2003 and Census 2000 (Figure 1), the vacancy rate² for Virginia Beach was already very low in 2000 and then declined even further by 2003 from 2.4% (3,729 vacant units in 2000) to 0.9% (1,416 vacant units in 2003). During the same period, the national vacancy rate increased from 3.5% to 3.9%, and the vacancy rate for Virginia went from 2.7% to 3.6%.



Owner vacancy rates point to a housing market in the City of Virginia Beach that was already extremely tight in 2000 and that has since become progressively tighter. The ownership vacancy rate in 2000 was only 1.5% and fell below 1% in 2003 (the most recent date available). (See Table 1.)

² The vacancy rate includes only those units for sale or rent and available for occupancy. Total vacant units include these units as well as units rented or sold but not occupied; vacant units used for seasonal, recreational or occasional use; vacant units used for migrant workers; and “other” vacant units not available for occupancy.

Table 1: Vacancy Rates by Tenure, 2000-2003

	United States		Virginia		Virginia Beach	
	2000	2003	2000	2003	2000	2003
Renter Vacancy	6.8%	8.0%	5.2%	8.2%	4.0%	2.5%
Owner Vacancy	1.7%	1.7%	1.5%	1.4%	1.5%	0.2%

Source: US Census 2000 and ACS 2003

Rental vacancy rates, as shown in Table 1, also point to a shortage of housing in Virginia Beach. In 2000, the rental vacancy rate was 4.0% in the City, well below the national rate of 6.8%. Although rental vacancy rates increased in the nation and the state between 2000 and 2003, in Virginia Beach the rental vacancy rate fell to only 2.5% in 2003 and more recent evidence suggests vacant rental units have become even scarcer. A vacancy survey administered by the Tidewater Multifamily Housing Council in August 2004 indicated that the rental vacancy rate throughout the metro area continues to decline and estimated a 1% rental vacancy rate in Virginia Beach. Although the Council's vacancy survey does not include all rental units in the area and cannot be used as an estimate of total vacancies, it nonetheless indicates a tightening rental market despite a surge in ownership demand fueled by low interest rates.

In contrast to the nation and the state as a whole, where strong owner markets resulted in weaker rental markets, the rental market in Virginia Beach has become nearly as tight as the owner market. This could possibly reflect a conversion of rental housing to owner occupancy, reducing units available in the rental market. Although renter demand has not increased as rapidly as owner demand, the number of renters continues to increase.

The overall tightness of the housing market in Virginia Beach will continue to push housing prices and rents higher unless the supply of housing increases sufficiently to produce vacancy rates around 5% (which would have required an additional 5,665 vacant units for sale and 1,358 vacant units for rent). The impact of scarce housing probably will be the most severe for those seeking lower cost housing. It is virtually impossible to expand the supply of lower cost housing through new construction due to land and construction costs. With a dwindling supply of developable land, this situation will only become more severe and the cost of newly built housing will continue to escalate. And with a severe housing shortage, older and lower quality units become more and more attractive to people with higher incomes. Extremely low vacancy rates lead to "bidding wars" when home seekers compete for units that come on the market, with sellers often receiving bids well above their asking price. This shrinks the supply of housing affordable to households with modest incomes by displacing them with households with higher incomes and by increasing the market price for these units. Those displaced either have to find housing outside of Virginia Beach or be willing to pay a high proportion of their income for housing within the City.

Housing Prices

Housing prices and rents in the metropolitan area and in Virginia Beach City have increased dramatically in the last few years. According to the National Association of

Realtors[®], the Virginia Beach metropolitan area was 7th in the nation in the rate of increase in the median sales prices for existing homes during 2004, with an increase of 27.3%.³ Based on sales data for local Realtors associations covering 2000 through 2003, the Center for Housing Research estimated a 28.8% increase in the median sales prices of all homes in the metropolitan area.⁴ These data indicate that the price of houses being sold in the metropolitan area has increased 64% between 2000 and 2004. This is well beyond the rate of increase in incomes, which have been increasing by less than 3% a year, or approximately 11% between 2000 and 2004.

Figure 2 provides the median sales price for existing homes sold in the US and in the Virginia Beach MSA⁵ as reported by the National Association of Realtors[®]. The figure also provides the Median Family Income for the US (estimated by the Census Bureau) and for the Virginia Beach MSA (estimated by the US Department of Housing and Urban Development). The median sales price in the MSA is lower than the national median and ranked 40th among metropolitan areas in 2004. However, housing prices are increasing more rapidly in the MSA than the nation, particularly after 2002. The Median Family Income in the MSA is nearly equal to that for the US and, as with the national Median Family Income, the median family income in the MSA has been increasing at a much slower pace than median prices.

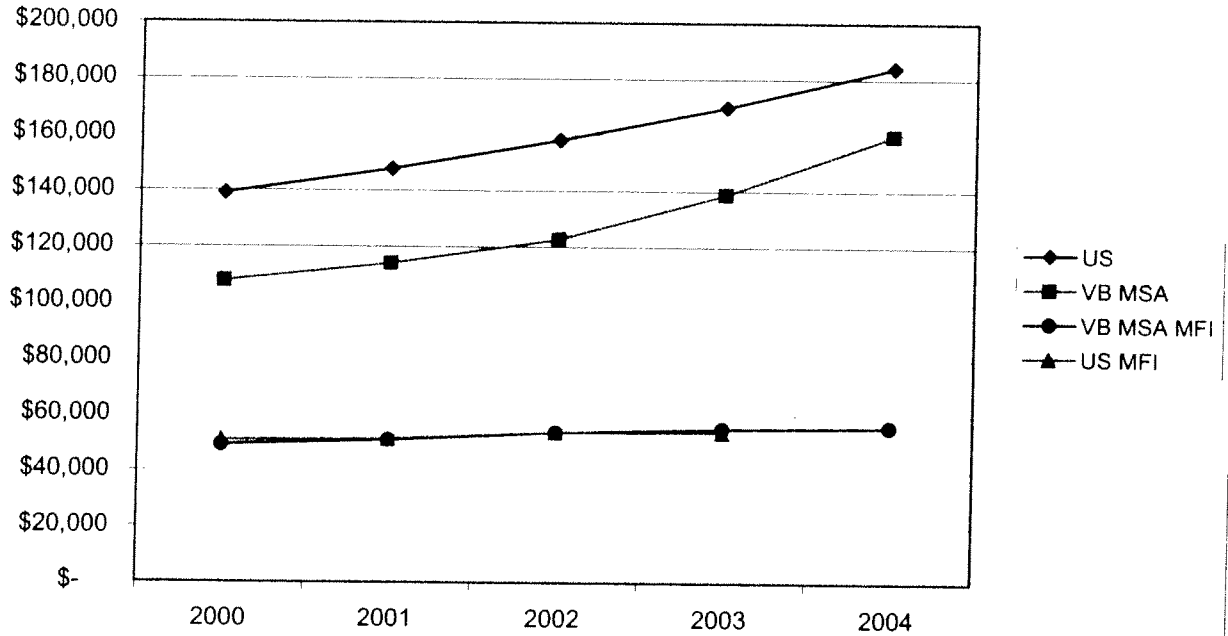
Fortunately, mortgage interest rates declined significantly after 2000, which helped increase homeownership demand despite rapid increases in prices and also allowed existing homeowners to reduce their debt payments through refinancing. Interest rates on 30-year loans went from an average of 8.2% in 2000 to an average of 5.8% in 2003 and even somewhat lower in 2004. In addition, lenders have a variety of mortgage loan products, such as interest-only loans, that can increase affordability for many homebuyers. Rapid escalation in prices even could have prompted home seekers to buy in anticipation of higher prices in the future, which would increase their own wealth if they have equity in a home but would make buying in the future less affordable. But mortgage interest rates started to increase in 2005 and higher interest rates combined with current housing prices could decrease ownership affordability significantly and have contributed to speculation about a “housing price bubble” which would be unsustainable if demand suddenly decreased.

³ Between the 3rd quarter 2003 and 3rd quarter 2004, the most recent periods available.

⁴ “Homeownership Affordability in Virginia,” 2004 available at www.caus.vt.edu/CAUS/RESEARCH/vchr/VCHR.html

⁵ Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area including the following jurisdictions: Currituck County-NC, Gloucester County-VA, Isle of Wight County-VA, James City County-VA, Mathews County-VA, Surry County-VA, York County-VA, Chesapeake city-VA, Hampton city-VA, Newport News city-VA, Norfolk city-VA, Poquoson city-VA, Portsmouth city-VA, Suffolk city-VA, Virginia Beach city-VA, Williamsburg city-VA. For more information about the definition of the Virginia Beach-Norfolk-Newport News MSA please check <http://www.census.gov/population/estimates/metro-city/0312msa.txt>

Figure 2: Median Housing Prices and Median Family Incomes (MFI)

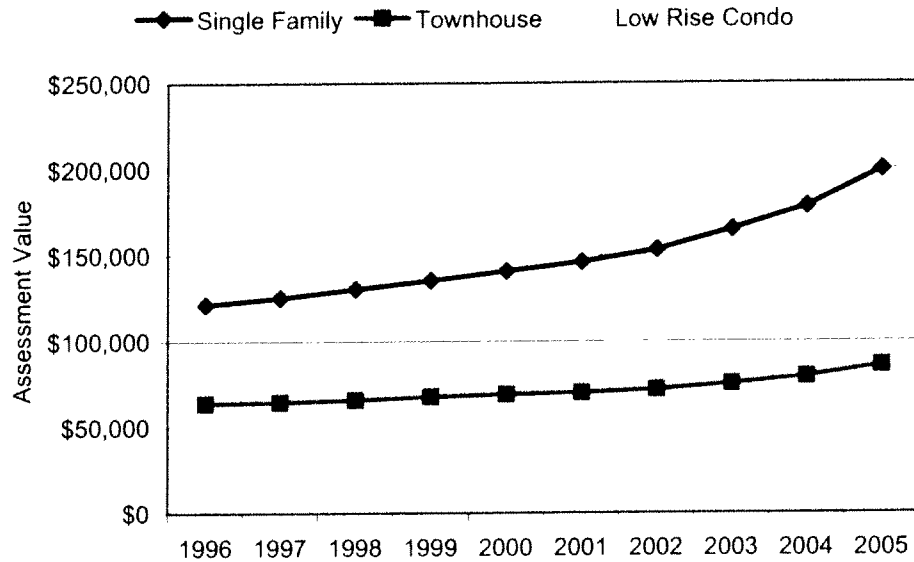


Source: National Association of Realtors and HUDUSER.ORG

Although the data on median sales prices presented in Figure 2 are not available for the City of Virginia Beach, tax assessment data reflect similar if not even more rapid increases in housing prices. The assessment data⁶ also provide greater detail about the type of house. As shown in Figure 3, the average assessed values for single-family and low-rise condominium units have increased sharply, particularly since 2000. Average assessed values for townhouse units have increased less dramatically and are the most affordable units in Virginia Beach.

⁶ Assessment data are for all units, not just those sold in a given year. Assessments lag changes in sales prices by a year or more.

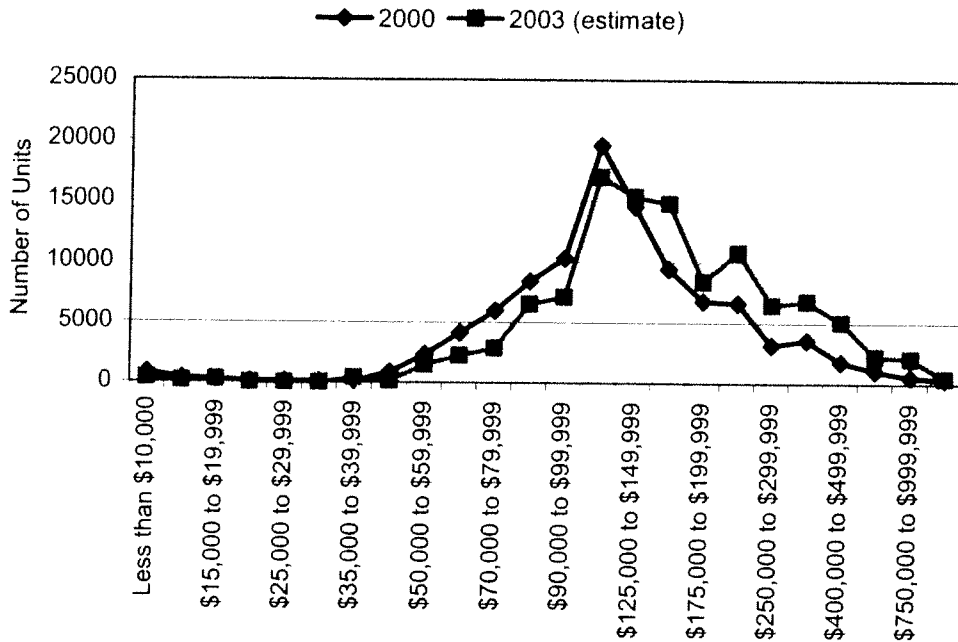
Figure 3: Average Assessment by Housing Type



Source: Virginia Beach Assessor's Office Report, 2004

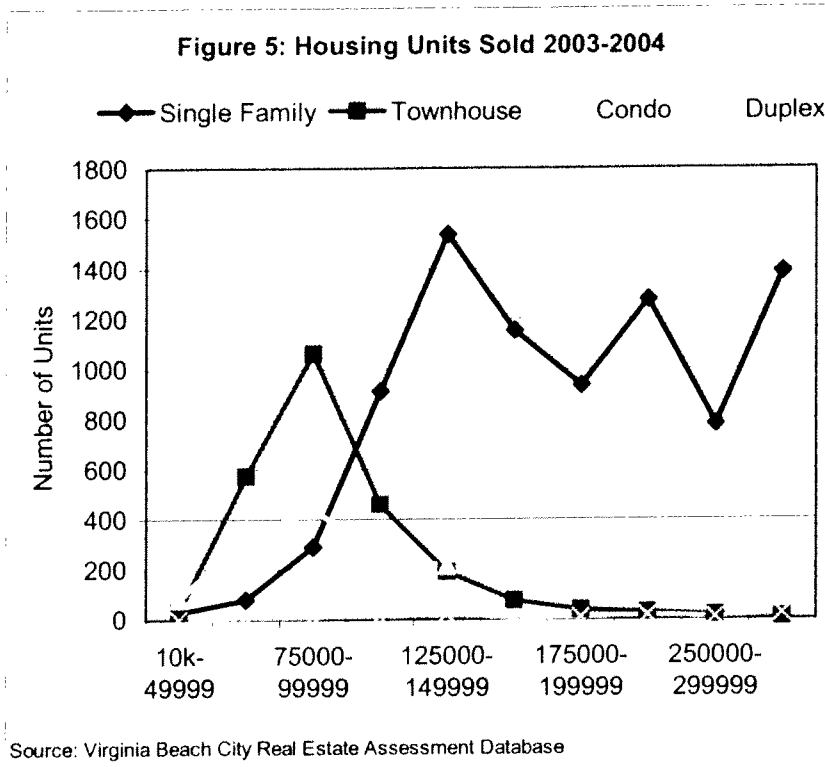
The rapid increase in housing values since 2000 is quickly eliminating the supply of more affordable housing in Virginia Beach. As shown in Figure 4, the supply of houses below \$125,000 has declined significantly, causing the range of values below the median (\$154,000 in 2003—the most recent available data on the distribution of house values) to cluster closer to the median than in 2000. Houses with values below \$50,000 were virtually non-existent by 2003 and the number of houses between \$50,000 and \$100,000 had declined dramatically. As a result of rapid price inflation and the higher prices of new houses, the Virginia Beach housing supply only increased for houses with prices of \$150,000 and higher.

Figure 4: Value of Owner-Occupied Units, 2000-2003



Source: Us Census 2000 and ACS 2003

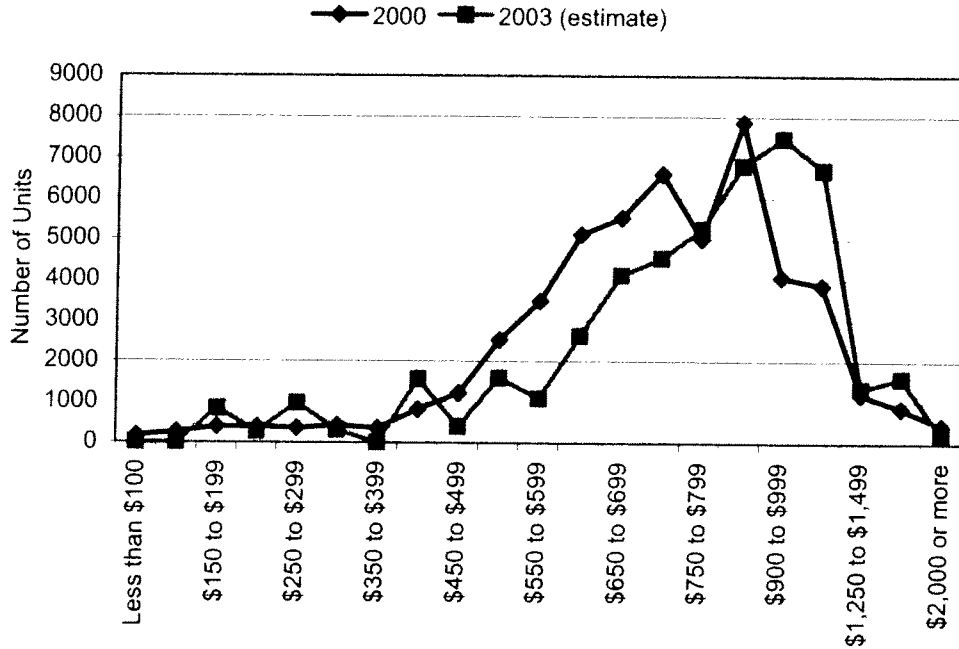
Recent sales data covering 2003 and 2004 for Virginia Beach highlights the scarcity of single-family houses with prices below \$100,000 (see Figure 5). Townhouses were the most affordable houses sold, with over 1,600 units sold between \$50,000 and \$100,000, and with townhouse sales heavily clustered in the \$50,000-\$125,000 range. Condominium sales were spread fairly evenly across the price range and were more numerous than single-family houses priced below the \$100,000 level.



Rental Housing

The cost of rental units has escalated along the lines of the owner units. In 2003, the median gross rent in Virginia Beach was estimated at \$804, an almost 10% increase from 2000. Renter occupied units as a percent of total occupied units declined to 30.8% in 2003 from 34.4% in 2000. The increase in median gross rent reflects an overall increase in higher priced rental units (costing more than \$900) and a decline in the number of more affordable rental units (Figure 6). This clearly indicates a growing affordability problem in the rental market throughout Virginia Beach.

Figure 6: Gross Rent, 2000-2003



Source: US Census 2000 and ACS 2003

Figure 6 also shows that the majority of renter occupied housing units within the City fall within the \$600 to \$899 range. Of all housing units, the largest portion (14%) fall within the \$800-899 range. Furthermore, housing units with rents below \$450 only made up 6% of the total renter occupied units compared to 18% of units in the MSA. When taking into consideration rents by the number of bedrooms in a unit, the majority of one bedroom units (61%) and two bedroom units (55%) fall within the \$500-\$749 range (same pattern for the MSA). However, for units with three bedrooms or more, the majority fell into the range of \$750-\$999 (42%).

First-time Homebuyers

First-time homebuyers are at greatest risk of being squeezed by higher prices since they do not benefit from increased equity as a prior homeowner. We project about 19,000 first-time buyers between 2001-2010 with incomes below \$50,000 (in year 2000 dollars) and another 20,000 with incomes above this level. About 6,500 projected first-time buyers have incomes below \$30,000 (see Table 3)⁷.

Homeownership rates increase with the age of the householder. A minority of young people become homeowners in the early years of establishing independent households.

⁷ For detailed projections of first-time homebuyer demand in Virginia Beach and elsewhere in the MSA, see "Homebuyer Market Analysis for the Virginia Beach Metropolitan Area," prepared for Community Housing Partners Corporation. Center for Housing Research, Virginia Tech, 2005 (forthcoming).

Homeownership becomes progressively more popular and feasible as people mature, earn more income, save money for a down payment, settle into a job and community, marry and have children. As shown in Table 3 the largest demographic segments of first-time homebuyers are among married-couple families with householders between the ages of 35 and 54 and with incomes above \$40,000.

Table 3: First-time Homebuyers, Virginia Beach, 2001-2010

	Income						
	<\$20,000	\$20,000-30,000	\$30,000-40,000	\$40,000-50,000	\$50,000-75,000	\$75,000-100,000	>\$100,000
Total	2197	4359	5385	6950	10641	5547	4547
Married-couple	792	1741	3211	4683	8745	4371	3313
15 to 24	79	57	29	104	203	84	81
25 to 34	20	535	1085	1589	3688	1686	1055
35 to 44	379	989	1424	1912	2963	1911	1563
45 to 54	314	160	674	1077	1890	690	613
Other Family	1134	1307	1430	1472	1010	267	254
15 to 24	30	84	72	27	27	12	15
25 to 34	96	530	486	314	210	86	83
35 to 44	716	162	292	343	220	60	21
45 to 54	292	531	579	788	553	109	135
Non-family, 15-54	271	1311	744	796	886	909	981

Source: Center for Housing Research

Family householders without a spouse present (the “other family” category in Table 3) are projected to account for 11,500 first-time buyers over the decade. Most of these householders are single parents (including the formerly married) and the majority are 35 years and older. These households are probably the most vulnerable to not finding affordable housing.

Non-family, first-time homebuyers are projected to be a slightly larger market than single-parent families. Non-families include individuals living alone or with unrelated housemates, including unmarried “DINKS”—couples with “dual incomes, no kids”. Non-families have increased more rapidly over the past decades than families and have recently entered the homeownership market in greater number.

Table 4 provides the maximum mortgage amount affordable to first-time homebuyers (if no more than 30% of income goes to housing costs), assuming a thirty-year, fixed-rate mortgage, property insurance at \$40/month for houses under \$150,000 and at \$50/month for houses above \$150,000, mortgage insurance at \$40/month, and a Virginia Beach tax rate of \$1.22/\$100 assessed valuation. The maximum affordable mortgage for each income category was estimated for the mid-point of the category (\$15,000 was used for the bottom category and \$100,000 for the top category). Estimates are provided for interest rates at 5.75% and at 7.00% in order to show the impact of increased interest rates on affordability.

Table 4: Housing Prices Affordable to First-time Homebuyers by Income, Virginia Beach 2000-2010

Number of First-time buyers, 2001-2010	Income						
	<\$20,000	\$20,000-30,000	\$30,000-40,000	\$40,000-50,000	\$50,000-75,000	\$75,000-100,000	>\$100,000
	2,197	4,359	5,385	6,950	10,641	5,547	4,547
Interest Rate	Affordable Price at Income Midpoint						
@5.75%	\$42,325	\$78,805	\$115,286	\$150,315	\$195,920	\$305,362	\$350,967
@7.00%	\$37,813	\$70,408	\$103,003	\$134,294	\$175,046	\$272,831	\$313,568

Source: Center for Housing Research

Obviously the projected 2,200 first-time buyers with incomes below \$20,000⁸ will have an extremely difficult time finding affordable units and will likely have to look for housing in the rental market or pay considerably more than 30% of their income to purchase a house. Fewer than 100 single-family and townhouse units sold during 2003-04 had prices below \$50,000.

First-time buyers with incomes between \$20,000 and \$30,000 can afford houses priced at around \$75,000 or less. There are nearly 4,400 projected first-time buyers in this income category during the decade (about 440 buyers per year). Over the two-year period of 2003-04, about 1,300 single-family houses and townhouse units sold for \$75,000 or less. Although there were enough units to meet demand from first-time buyers in this income category, the supply would be insufficient if demand also comes from first-time buyers with higher incomes or from repeat buyers, which is very likely in a tight housing market.

Demand among first-time buyers increases significantly in the next two income ranges (\$30,000 to \$40,000 and \$40,000 to \$50,000). For the first of these income categories, 5,400 buyers would need houses priced below \$115,000 (or \$103,000 if interest rates increase to 7%). This is an average of 540 per year, while there were 2,400 units sold during 2003-04 with prices between \$75,000 and \$100,000. The affordable supply at this price level and above becomes more abundant and could accommodate demand among first-time buyers and from many repeat buyers.

Up to 2004, first-time buyers with incomes below \$30,000 faced the most severe affordability problems. However, if prices continue to escalate more rapidly than incomes and if interest rates increase significantly, the income threshold for effective demand will obviously increase. With prices increasing more rapidly than incomes, lower-income home seekers face a dwindling supply of affordable units. They also face increased competition from higher income households for those units. Even if recent increases in

⁸ Although the incomes shown in the table are in year 2000 dollars, incomes have only been increasing by about 3% per year. Over three years, this would only increase the nominal price of affordable housing by 10%. For example, the maximum affordable price of \$150,315 for a household with a \$45,000 income would only increase to \$165,000 by 2003.

housing prices are attenuated, competition for a limited supply of modest-priced houses is likely to increase as more of the affordable stock is occupied by households with higher incomes.

Homebuyers with incomes below \$30,000 (in year 2000 dollars) face serious shortages in the number of affordable units they can buy. Continued price increases will place buyers with incomes between \$30,000 and \$50,000 at greater risk of not finding affordable housing in Virginia Beach. Families with children are probably the most seriously endangered for several reasons. First, their space needs are less flexible. Second, their budgets are probably more constrained by other necessary expenditures, including childcare and educational expenses, and families cannot increase the proportion of income going to housing as readily as households without children. Third, they probably prefer single-family detached houses to townhouses and condominium units whenever possible.

Home seekers priced out of ownership will turn to the rental market or move out of Virginia Beach to find affordable housing. As noted earlier, the rental market in Virginia Beach has a very low vacancy rate, despite a period when housing demand clearly shifted to ownership due to low interest rates. In addition, the number of units with gross rent below \$750 declined sharply between 2000 and 2003 (the most recent data available).

The Affordable Housing Gap in 2000

The following housing gap analysis estimates the surplus or deficit of housing units that were affordable to certain household income groups, both for renter and owner-occupied household as of 2000. This housing gap is calculated from special tabulations of the 2000 Census prepared for HUD for use in preparing Consolidated Plans. Three numbers are used in calculating the affordable housing gap: 1) the number of households in the income category, 2) the total number of housing units affordable to these households (at 30% of their income), and 3) the number of these affordable units that were occupied by households with higher incomes.

The gap analysis shows that low-income renters face the most severe shortage of affordable housing, which is not surprising. We estimate a gross deficit of nearly 8,500 affordable rental units for renters with incomes below 50% of the Area Median Family Income (AMFI)⁹ (approximately \$25,000 in 2000). (See Table 5.) Consequently, low-income renters were forced to spend large portions of their incomes (often in excess of half) in order to obtain housing.

Table 5: Affordable Rental Housing Gap, 2000

	Total Renters	Total Units	Surplus (Deficit)	Occupied >% AMFI	Gross Deficit
<30% AMFI	5,771	4,054	-1,717	2,679 66.1%	-4,396
30-50% AMFI	6,660	5,260	-1,400	2,709 51.5%	-4,109
50-80% AMFI	13,415	37,180	23,765	18,602 50.0%	5,163

Source: CHAS 2000 Data Book and Center for Housing Research

The gap was largest for extremely low-income households (less than 30% AMFI) where the number of renters exceeded the number of affordable units by 1,717. This gap was increased to 4,395 as a result of higher income households out-bidding the lower income segment and occupying more than two-thirds of the units affordable to this income category. The same phenomenon took place for the very-low income group (30-50% AMFI) with higher income households occupying almost half (51.5%) of the units affordable at this income level. Severe housing cost burdens cause a host of problems including under-consumption of other necessary goods and services as well as family instability.

Low and very low-income homeowners also face a shortage of affordable units, with a deficit of about 6,000 affordable owner units in 2000 (see Table 6). Although there was a sufficient number of affordable units for owners with these income levels in 2000, most were occupied by owners with higher incomes (77.2% and 73.4%, respectively). This reduced the limited surplus (+437 units) for the very-low income group to a much larger

⁹ AMFI stands for Area Median Family Income, the median income for families within a geographic area. Estimated by HUD and used as a reference for income eligibility for housing programs.

deficit (-5,770 units), and the relatively large surplus (+32,887) for the low-income owner households into a deficit of 421 units.

Table 6: Affordable Owner-Occupied Housing Gap, 2000

	Total Owners	Total Units	Surplus (Deficit)	Occupied >%AMFI	Gross Deficit
<50%AMFI	7,603	8,040	437	6,207 77.2%	-5,770
50-80%AMFI	12,477	45,364	32,887	33,308 73.4%	-421

Source: CHAS 2000 Data Book and Center for Housing Research

As with low-income renters, this gap forces low-income owners to pay excessively high portions of their income for their housing. Although most homeowners have fixed payments for principal and interest, their property tax, utilities and insurance costs escalate. Since 2000, these costs have risen much more quickly than incomes even for the median income family. Homeowners with below median incomes have seen housing costs increase much more rapidly than their incomes.

Military Housing

Virginia Beach is the home to four main military installations: three Navy, NAB Little Creek, NAS Oceana, FCTC Dam Neck and one Army, Ft. Story. Although some military housing is offered to military personnel, the majority of military families find housing through the open market. The naval installations have a combined total of 11,800 families (a family constitutes a military personnel with dependent) but only provide a total of 1,816 military housing units (see Table 7). This leads to a deficit of 9,984 military housing units or units needed in the private market. Since families are allowed to choose housing within a one hour commute of the base, a portion of the deficit may be handled by military housing located outside of Virginia Beach. Ft. Story also experiences similar deficits as the naval installations. There are 1,130 Army “permanent party” stationed at Ft. Story but only 163 quarters¹⁰.

Table 7: Naval Base Housing Units and Families for Virginia Beach

Base	Number of Families	Number of Housing Units	surplus (deficit)
NAB Little Creek	5068	862	-4206
NAS Oceana	5100	935	-4165
FCTC Dam Neck	1632	19	-1613
Total	11800	1816	-9984

Source: John J. Morello, Director, Mid Atlantic Regional Family Housing

Currently, the Navy has a two year wait for military housing for Little Creek and Oceana facilities totaling 571 families (see Table 8). Eighty two percent of those on the wait list are enlisted personnel. Of those enlisted personnel on the wait list, fifty two percent are waiting for three bedroom units.

Table 8: Wait List for Naval Housing, Virginia Beach

	Enlisted	Officer
Little Creek		
2 bedroom	98	--
3 bedroom	105	42
4 bedroom	33	32
5 bedroom	--	--
Oceana		
2 bedroom	--	--
3 bedroom	139	20
4 bedroom	77	10
5 bedroom	15	--

Source: John J. Morello, Director, Mid Atlantic Regional Family Housing

Military personnel who are seeking housing within the open market are limited by the housing allowance that is provided to them based on their pay grade and the dependent status (see Table 9). Those with dependents (spouse or children) have a slightly higher housing allowance than those without dependents. For most pay grades the basic housing allowance permits military personnel to compete for housing costing \$900-\$1,100 per

¹⁰ Source: Ann Heiss Schulte, Family Advocacy Program Manager

month. Although this makes the middle of the rental market affordable to military personnel, it increases competition for these units. Given the shortage of housing in the City, the large military demand undoubtedly adds to the market pressures that have compressed the bottom half of the rental supply toward the median and reduced the supply of units affordable to low-income renters.

Table 9: Basic Housing Allowance (BAH) for Norfolk, Virginia Beach, Portsmouth and Chesapeake

Pay Grade Range	Allowance Range	
	With Dependents	Without Dependents
E1 - E4	\$1,031	\$874
E5 - E9	\$1103 - \$1397	\$931 - \$1159
W1 - W5	\$1214 - \$1522	\$1004 - \$1267
O1E - O3E	\$1266 - \$1437	\$1103 - \$1213
O1 - O3	\$1115 - \$1332	\$959 - \$1173
O4+	\$1564 - \$1763	\$1261 - \$1361

Source: Department of Defense, Basic Allowance for Housing (BAH), 2005

Comparing these gross rents to the housing allowance given to military personnel, those personnel within the higher pay grades should be able to easily afford renter housing units within the City. However, lower ranked enlisted personnel may have difficulty finding affordable renter housing. This is particular true when comparing enlisted personnel with dependents and rents for units with three or more bedrooms (enlisted personnel wanting three or more bedrooms is the largest group on the military housing waiting list). Lower ranked personnel may either have to spend more than their allowance on housing costs (using portions of the income) or look outside of the City for housing.

Future Military Housing

As for now, there are no known increases or decreases in the military personnel within the City. Furthermore, the Navy has no known facility projects scheduled within Virginia Beach. However, Ft. Story has plans to build 200 new housing units on post in 2005.

While military housing is currently run through a military housing agency, both the Navy and Army have plans to transition their housing stock to contracted housing. With the transition to contracted housing, military personnel will still get their same housing allowance but their rent will not automatically be taken out of their pay as under the current system. They will have to actually write a check for their rent removing the perception that rent is “free”. There is speculation that this may change the housing preference of those individuals living in military housing and more military individuals may move into the open market.

Workforce Housing

The link between the workforce in the city and its housing needs is central because it is the demographics and characteristics of the population that dominate the demand side of the housing market and hence directly impacts the supply of housing in the City. Ideally, the City needs to provide an equal number of housing units to the jobs it creates and to ensure that these units be affordable to the household income level of the workers taking these jobs. In an area such as Virginia Beach that is surrounded by other urban centers within commuting distance, the workforce housing market should be examined from a regional perspective rather than a local one. However, for the purposes of this study, we try to establish only if the City is achieving a comfortable level of balance between the type of jobs available and the stock of affordable housing available to service the workers.

Between 1990 and 2000, the number of wage and salary jobs in Virginia Beach (excluding non-civilian military employment) increased by 53,300 jobs (see Table 10). Given the average number of workers per household in Virginia Beach, 53,300 jobs equates to housing demand for 37,450 units. However, the supply of housing units only increased (net) by 15,240 units, leaving a deficit. For every 1.42 jobs created in the city, a household was created and needed a housing unit. Considering this ratio, and comparing the increase of jobs during this time period and the number of housing units actually produced, we can conclude that between 1990 and 2000, Virginia Beach produced 22,000 fewer units than demand associated with job creation. With jobs and housing units out of balance, Virginia Beach workers were living elsewhere while commuting to their jobs. Along with scarcity of housing, the dislocation between the job and residence place can also be attributed to personal or family preference or the availability of better and more housing choices nearby within a commuting distance.

Table 10: Jobs-Housing Balance in Virginia Beach

	1990-2000	2000-2002
Increase in jobs	53,281	5,885
Households @ 1.42 jobs/household	37,448	4,144
Increase in housing units	15,240	4,175
Housing Surplus (deficit)	-22,208	31

Source: Center for Housing Research

Between 2000 and 2002, housing production was sufficient to keep up with job growth but inadequate to offset the earlier deficit. Even if gross housing production keeps up with workforce-related housing demand, the houses produced are usually at the high-end of the housing market, whereas the jobs being created typically have incomes that require much less expensive housing. For example, according to the Virginia Employment Commission (VEC) the top employers in 2004 in Virginia Beach are:

1. City of Virginia Beach Schools
2. City of Virginia Beach
3. U.S. Department of Defense
4. Sentara Bayside Hospital

5. Little Creek Navy Exchange
6. Farm Fresh
7. Wal-Mart
8. Lillian Vernon Fulfillment
9. Americaid Community Care
10. Stihl

Most of the jobs generated by the employment base in Virginia Beach require less expensive housing than new construction can produce. As seen in Table 11, of the top twenty occupations between 2001 and 2003 in the Virginia Beach MSA, only one had average earnings above \$50,000 (a bench mark chosen by the research team based on the latest housing prices and the incomes needed to afford them). The top five earn less than \$22,000 per year. As a result, much of the workforce in the Virginia Beach job market, whether in terms of existing or newly created jobs, faces housing affordability challenges especially in the homeownership market.

Table 11: Top 20 Occupations, 2001-2003 (for the whole MSA)

Occupation Title	2001	2003	Change	Average
1.Retail Salespersons	24350	25,570	5%	\$20,320
2.Office Clerks, General	15500	19,070	23%	\$21,570
3.Cashiers	18320	18,990	4%	\$15,100
4.Combined Food Preparation and Serving Workers, Including Fast Food	12370	15,330	24%	\$14,610
5.Laborers and Freight, Stock, and Material Movers, Hand	10500	11,850	13%	\$20,670
6.Registered Nurses	9120	10,410	14%	\$47,460
7.Bookkeeping, Accounting, and Auditing Clerks	8300	8,380	1%	\$26,390
8.Elementary School Teachers, Except Special Education	7520	7,930	5%	\$44,350
9.Supervisors/Managers of Office and Administrative Support Workers	7440	7,620	2%	\$39,890
10.Nursing Aides, Orderlies, and Attendants	6590	7,460	13%	\$18,390
11.Receptionists and Information Clerks	6100	6,740	10%	\$18,500
12.Maids and Housekeeping Cleaners	5540	6,450	16%	\$15,930
13.Sales Representatives, Wholesale and Manufacturing	5900	6,320	7%	\$50,560
14.Maintenance and Repair Workers, General	6250	6,320	1%	\$27,330
15.Teacher Assistants	5610	5,970	6%	\$16,860
16.Truck Drivers, Heavy and Tractor-Trailer	4850	5,800	20%	\$29,440
17.First-Line Supervisors/Managers of Food Preparation and Serving Workers	4850	5,520	14%	\$24,750
18.Telemarketers	2510	5,240	109%	\$19,600
19.Carpenters	4830	5,200	8%	\$30,620
20.Secondary School Teachers, Except Special and Vocational Education	3960	4,830	22%	\$47,560

*Bold for jobs paying more than 50k/year

Source: Virginia Employment Commission 2004

Table 12 shows the top twenty growing occupations throughout the metro area during the same period with only three of them earning more than \$50,000. As a result, the majority of the workforce in the Virginia Beach job market, whether in terms of existing or growing jobs, faces housing affordability challenges especially in the homeownership market. These challenges continue to exist and apparently grow with fewer affordable units produced in 2003-04 and increasing real estate assessments and vacancy rates.

Table 12: Top 20 Growing Occupations, 2001-2003 (for the whole MSA)

Occupation Title	2001	2003	Change	Average
1. Meat, Poultry, and Fish Cutters and Trimmers	530	2,230	321%	\$15,930
2. Photographic Process Workers	40	130	225%	\$22,110
3. Extruding, Forming, Pressing, and Compacting Machine Setters, Operators, and Tenders	110	350	218%	\$27,540
4. First-Line Supervisors/Managers of Correctional Officers	120	370	208%	\$42,450
5. Radio Mechanics	110	310	182%	\$37,860
6. Real Estate Brokers	80	190	138%	\$104,240
7. Personal Financial Advisors	200	470	135%	\$61,950
8. Fitness Trainers and Aerobics Instructors	450	1,050	133%	\$30,140
9. Paving, Surfacing, and Tamping Equipment Operators	160	360	125%	\$26,790
10. Locksmiths and Safe Repairers	60	130	117%	\$28,200
11. Coin, Vending, and Amusement Machine Services and Repairers	70	150	114%	\$28,330
12. Security and Fire Alarm Systems Installers	80	170	113%	\$29,580
13. Helpers-Pipelayers, Plumbers, Pipe fitters, and Steamfitters	590	1,250	112%	\$26,660
14. Ushers, Lobby Attendants, and Ticket Takers	600	1,260	110%	\$14,010
15. Telemarketers	2510	5,240	109%	\$19,600
16. Training and Development Specialists	980	1,990	103%	\$46,520
17. Lawyers	1340	2,570	92%	\$138,440
18. Cooks, Short Order	610	1,110	82%	\$15,470
19. Weighers, Measurers, Checkers, and Samplers, Recordkeeping	200	360	80%	\$24,410
20. Real Estate Sales Agents	1340	2,410	80%	\$39,990

*Bold for jobs paying more than 50k/year

Source: Virginia Employment Commission 2004

Housing Affordable to Low and Modest Income Workers is Hard to Find

Housing affordability for the workforce reflects wage levels, household characteristics and housing prices or rents. To examine housing affordability for people with low-wage

to modest-wage jobs, we estimated the number of units affordable for people in seven occupations representing a mixture of growing metro jobs and critical city jobs.

- Cashiers
- Retail/Sales
- Office Clerks
- Elementary Teacher
- Firefighter & Police
- Registered Nurse
- Lawyers

For each of these occupations, we have created an individual table to summarizing housing affordability for each of these occupations in the rental and ownership market including two main scenarios of income profiles (individual wage and Median HHI/W – see description below).

The following provides a description for the terms and methodology used in these tables:

- Individual wage (either the published MSA average or the City entry level wage)
- The median household income per wage (Median HHI/W) indicating the median household income for the households with at least one member of the household working in this occupation. This is calculated using the 2000 US Census micro data set to estimate the ratio between households with a single earner in this occupation (found to be an average of 10 percent across the board), and the total household income with at least one person working in this occupation. For each income level, the affordable maximum price (max. price) is calculated as well as the affordable maximum gross rent (max. rent).
- We checked the total number of single family (SF) units sold in 2003/2004 (based on the latest update of the assessor's office database that was available to the study team) as well as the total townhouses sold in the same period using the latest sales data in the city assessor's database. These represent the total number of units these occupations can afford and are actually offered for sale. However, these units are also in the competitive market with higher income levels, so the number of units are most likely an overstatement especially considering low vacancy rates..
- For the rental market, we checked the number of units listed on the City's Real Estate Information Network (REIN) data base to find out the total number of units actually available for rent within the affordable rent range for each occupation.
- The numbers of workers in the various occupations are based on metro level data provided by the VEC. Data were not available at the city level.

Cashiers

Cashiers account for about 18,990 workers on the metro level earning an average individual salary of \$15,100. On the city level, less than 10 percent of households with persons in this occupational category had only one income. The majority of these

households had a 2.53 ratio of HHI/W (that is about 90 percent of the households with a person in this occupation had an income 2.53 times his/her individual wage). Table 13 shows what households in this occupation can afford along with the number of affordable units for sale or rent. For a cashier without additional income, there were only 58 affordable units sold during 2003-04 and there were no affordable rental units available. Obviously, cashiers are in need of affordable housing due to their limited income and compete among themselves and with those in better paying occupations for a limited number of affordable units.

Table 13: Affordable Housing for Cashiers

	Individual wage	Median HHI/W
Income	\$ 15,100	\$ 38,188
Home Ownership		
Max. price	\$40,285	\$111,273
SF units sold 2003/04	26	913
Townhouse units sold 2003/04	32	461
Rental		
Max. rent	\$ 378	\$ 955
Available for rent on 02/16/2005 (REIN Database)		
	0	198

Source: Center for Housing Research

Retail Sales

Retail sales jobs account for the largest number of workers on the metro level with about 25,570 workers earning an average individual salary of \$20,320. On the city level, less than 10 percent of households with persons in this occupational category had only one income. The majority of these households had a 2.2 ratio of HHI/W (that is about 90 percent of the households with a person in this occupation had an income 2.2 times his/her individual wage). Table 14 shows what households in this occupation can afford along with the number of affordable units for sale or rent. Although the individual income in this group faces a shortage of affordable housing throughout the City, that most households have additional sources of income makes it a little easier, although still tight, in terms of how much they can afford.

Table 14: Affordable Housing for Retail Sales

	Individual wage	Median HHI/W
Income	\$ 20,320	\$ 44,704
Home Ownership		
Max. price	\$58,897	\$143,989
SF units sold 2003/04	104	2,844
Townhouse units sold 2003/04	606	2,319
Rental		
Max. rent	\$ 508	\$ 1,118
Available for rent on 02/16/2005		
(REIN Database)	4	303

Source: Center for Housing Research

Office Clerks

Office Clerks account for about 8,380 workers at the metro level earning an average individual salary of \$26,390. On the city level, about 13 percent of households with persons in this occupational category had only one income. The majority of these households had a 2.45 ratio of HHI/W (that is about 86 percent of the households with a person in this occupation had an income 2.45 times his/her individual wage). Table 15 shows what households in this occupation can afford along with the number of affordable units for sale or rent. Almost similar to the previous categories, this group largely faces a very tight affordable housing market in the City if they depend on a single earner, and a little easier condition around the median.

Table 15: Affordable Housing for Office Clerks

	Individual wage	Median HHI/W
Income	\$ 26,390	\$ 64,756
Home Ownership		
Max. price	\$80,545	\$219,139
SF units sold 2003/04	395	4,932
Townhouse units sold 2003/04	1,669	2,456
Rental		
Max. rent	\$ 660	\$ 1,619
Available for rent on 02/16/2005		
(REIN Database)	136	654

Source: Center for Housing Research

Teachers

Teachers are a critical part of any community and on the MSA level account for about 7,930 workers earning an average individual salary of \$44,350 (however, for this exercise we selected the entry level salary of \$34,227 to reflect the status of the newly hired teachers in the city). On the city level, about 10 percent of households with persons in this occupational category had only one income. The majority of these households had a 2.06 ratio of HHI/W (that is about 90 percent of the households with a person in this occupation had an income 2.06 times his/her individual wage). Table 16 shows what households in this occupation can afford along with the number of affordable units for sale or rent. Particularly with married teachers, the median household income allows for relatively decent housing market opportunities. However, the available and affordable units are also in the competitive market for higher income households who can out bid this group.

Table 16: Affordable Housing for Teachers

	Individual wage	Median HHI/W
Income	\$ 34,227	\$ 70,508
Home Ownership		
Max. price	\$102,354	\$226,828
SF units sold 2003/04	395	6,208
Townhouse units sold 2003/04	1,669	2,456
Rental		
Max. rent	\$ 856	\$ 1,763
Available for rent on 02/16/2005 (REIN Database)	122	581

Source: Center for Housing Research

Registered Nurses

Registered Nurses on the MSA level account for about 10,410 workers earning an average individual salary of \$47,460 (however, for this exercise we selected the entry level salary of \$34,858 to reflect the status of the newly hired nurses in the city). On the city level, about 8.4 percent of households with persons in this occupational category had only one income. The majority of these households had a 1.87 ratio of HHI/W (that is about 91 percent of the households with a person in this occupation had an income 1.87 times his/her individual wage). Table 17 shows what households in this occupation can afford along with the number of affordable units for sale or rent. Although nurses have a slightly higher individual income than teachers, their housing options are more limited based on household income.

Table 17: Affordable Housing for Registered Nurses

	Individual wage	Median HHI/W
Income	\$ 34,858	\$ 65,184
Home Ownership		
Max. price	\$110,734	\$218,858
SF units sold 2003/04	1,308	6,208
Townhouse units sold 2003/04	2,130	2,456
Rental		
Max. rent	\$ 871	\$ 1,630
Available for rent on 02/16/2005 (REIN Database)	123	547

Source: Center for Housing Research

Firefighters and Police Officers

Firefighters and police officers are another critical asset of any community. For this exercise we selected the entry level salary of \$36,622 to reflect the status of the newly hired officers in the city). On the city level, about 17 percent of households with persons in this occupational category had only one income. The remaining 93 percent had a 1.81 ratio of HHI/W (which is relatively low but consistent with the single earner ratio of 17 percent). Table 18 shows what households in this occupation can afford along with the number of affordable units for sale or rent. Even with relatively higher entry level wages, the demographics of these households makes it challenging for them to compete in a housing market with already few units available for sale or rent affordable to their income level.

Table 18: Affordable Housing for Fire Fighters & Police Officers

	Individual wage	Median HHI/W
Income	\$ 36,622	\$ 66,143
Home Ownership		
Max. price	\$117,021	\$229,707
SF units sold 2003/04	1,308	6,208
Townhouse units sold 2003/04	2,130	2,456
Rental		
Max. rent	\$ 916	\$ 1,654
Available for rent on 02/16/2005 (REIN Database)	163	556

Source: Center for Housing Research

Lawyers

Lawyers as an occupational category were included to reflect a higher income occupation. The average individual salary of lawyers on the MSA level was \$138,440. On the city level, about 22.2 percent of households with persons in this occupational category had only one income. The remaining had a 1.32 ratio of HHI/W (which is not surprising considering the high average individual salary). Table 19 shows what households in this occupation can afford along with the number of affordable units for sale or rent. Obviously this group has little to worry about when it comes to affordable housing in terms of absolute numbers of units needed or actual available numbers offered for sale or rent.

Table 19: Affordable Housing for Lawyers

	Individual wage Income \$	Median HHI/W \$
Home Ownership		
Max. price	\$480,026	\$637,959
SF units sold 2003/04	8,374	8,374
Townhouse units sold 2003/04	2,478	2,478
Rental		
Max. rent \$	\$ 3,461	\$ 4,569
Available for rent on 02/16/2005 (REIN Database)	671	671

Source: Center for Housing Research

Anyone reliant on employment as a cashier (or similar jobs averaging \$15,000 per year) or in retail sales (averaging \$20,000 per year) would have an extremely hard time finding affordable housing in Virginia Beach, even though these are among fastest growing positions in the region. Office clerks (averaging \$26,400 per year) have greater opportunities to find an affordable townhouse or apartment, but have few opportunities to buy a single-family house. Entry level teachers, public safety officers, and registered nurses could also find affordable townhouses and apartments, but would struggle to find an affordable single-family house. With the City's extremely low vacancy rates, only a few affordable housing units would be on the market at any given time.

Two Jobs Often Necessary to Afford Housing in Virginia Beach

Total purchasing power (and thus affordability) depends on total household income rather than an individual's income from a particular job. Only 10% of households with low to modest wage jobs rely exclusively on the income from that one job. Some households,

particularly married-couples, have income from two (or more) workers. We estimate that about 44% of all households with one or more potential workers have only one worker, while the remainder of households have two or more workers. A significant portion of one-worker households must have income from more than one job (that data is not available) or from other sources than work, such as transfer payments (public assistance and Supplemental Security Income) or investment income.

Low-income, single-parent females qualify for public assistance through Temporary Assistance for Needy Families (TANF) which includes a work requirement for most recipients. Non-elderly single individuals do not qualify for public assistance other than food stamps and SSI (if they have a disability, in which case they might not be working). One-worker households in low to modest wage jobs are unlikely to have significant earnings from investments or savings. By implication, a large portion of one-worker households have more than one job and otherwise could not afford to live in Virginia Beach.

Median household incomes for households with a person employed full-time in any of the low to modest income occupations examined were substantially higher than the average income from that position. Median household incomes for households with a teacher or registered nurse were about double the salary of the person in those positions, while median household incomes for households with a public safety officer were 80% higher than the public safety officer's income. Median household incomes for cashiers and office clerks were even higher multiples (150%) of the income from one job in those positions.

Across all of these positions, the lower half (in terms of household income) of households boosted their incomes by approximately \$10,000 (in year 2000 dollars) on average, either through holding a second job, having another earner in the household, or other sources of income. Cashiers and office clerks were the most reliant on income from a second job or from other sources of income (e.g. food stamps or TANF). Most of the additional household income for these households must come from a second job or from public assistance, since approximately 40% of these households are reliant on income from one worker. In effect, one-worker households in lower-wage jobs must have a second job in order to obtain housing in Virginia Beach.

Commuting Patterns

Commuting patterns reveal the interrelationship between jobs and homes. As shown in Table 20, there was a 9% increase between 1990 and 2000 in workers who both lived and worked in Virginia Beach (127,961 people both lived and worked in Virginia Beach in 2000, approximately an increase of 11,000 above the 1990 level). However, jobs in Virginia Beach have been increasing faster than residents working in the City, which could be a reflection of the scarcity of housing affordable to many of the jobs being created. There was a 45% increase in the total number of commuters into Virginia Beach between 1990 and 2000. Even though Norfolk and Chesapeake accounted for the majority of in-commuters, the largest percent increases were from Suffolk (183%), Newport News (107%) and Hampton (85%).

Table 20: Commuter Into and Out of Virginia Beach, 1990-2000

	1990	2000	% Change
<u>Out-Commuters:</u>			
Total	96,337	94,687	-1.7
Norfolk	64,100	55,963	-12.7
Chesapeake	12,336	18,541	50.3
Portsmouth	7,477	7,318	-2.1
Newport News	2,045	2,319	13.4
Hampton	1,798	2,020	12.3
Suffolk	902	1,223	35.6
<u>In-Commuters:</u>			
Total	31,460	45,655	45.1
Norfolk	13,276	17,717	33.5
Chesapeake	9,762	15,394	57.7
Portsmouth	2,254	2,942	30.5
Suffolk	582	1,644	182.5
Hampton	807	1,490	84.6
Newport News	636	1,316	106.9
<u>Live and Work in Virginia Beach</u>	<u>117,095</u>	<u>127,961</u>	<u>9.3</u>

Source: US Census 1990 & 2000

Even though overall there was a 2% decrease in the number of workers commuting out of Virginia Beach between 1990 and 2000 (Table 20), in 2000 Virginia Beach was still a net exporter of workers, as more people commuted out of the City to work (94,687) than commuted in (45,655). As shown in Table 21, only Suffolk and Currituck County, North Carolina in 2000 had more commuters coming to Virginia Beach for work than leaving Virginia Beach to work in other areas. While Norfolk had the highest volume of commuters from Virginia Beach, there was a 13% decrease in the number of commuters to Norfolk over the last decade. Chesapeake had the highest increase (50%) in the number of workers commuting to it over the last decade, followed by Suffolk (36%).

Table 21: Commuting Into and Out of Virginia Beach, 2000

Locality	From	To	Net
	Virginia Beach to:	Virginia Beach from:	
Total (not including Virginia Beach)	94687	45655	-49032
Norfolk	55963	17717	-38246
Chesapeake	18541	15394	-3147
Portsmouth	7318	2942	-4376
Suffolk	1223	1644	421
Hampton	2020	1490	-530
Newport News	2319	1316	-1003
Currituck Co. NC	74	1032	958

Source: US Census 2000

Household Demographics

Household Composition

The average household size in 2000 was slightly larger in Virginia Beach than in the MSA, with 2.7 persons per household compared with 2.6 for the MSA. The City had a higher proportion of family households (households with one or more relatives) than did the MSA (73% vs. 70%) and fewer non-family households (one-person households or households with only unrelated individuals). Within the City one third of family households were comprised of a 2-person household (36%) and three quarters of the non-family households were comprised of a 1-person household (74%). As for the age of the households, about one third of family households in the City and the MSA are between the ages of 35-44 years, compared to non-family households where the largest percentage are between the ages of 25-34 years.

As shown in Table 22, families accounted for almost three of every four households in Virginia Beach (73%) in 2000, making it slightly more of a family housing market than the MSA (70%). In the City, married-couple families accounted for 57% of all households in 2000 (53.6% in 2003) and female-headed families (without a spouse in the household) made up 12% of all households (13% in 2003). Female-headed families accounted for three quarters of the "other family" category (both male and female-headed families without spouses present).

Table 22: Households by Type, MSA 2000 and Virginia Beach 2000 & 2003

	2000				2003	
	MSA		Virginia Beach		Number	%
	Number	%	Number	%		
Total households	577,794	100.0%	154,635	100.0%	160,433	100.0%
Family households	406,812	70.4%	112,127	72.5%	113,088	70.5%
Married-couple family	300,294	52.0%	88,102	57.0%	86,044	53.6%
Other family	106,518	18.4%	24,025	15.5%	27,044	16.9%
Female householder*	84,301	14.6%	18,160	11.7%	21,160	13.2%
Male householder*	22,217	3.8%	5,865	3.8%	5,884	3.7%
Non-family households	170,982	29.6%	42,508	27.5%	47,345	29.5%

*without a spouse present

Source: US Census 2000 and ACS 2003

Doubling-up in family households and subfamilies is relatively rare within Virginia Beach. The 2000 Census estimated about 9,335 people living in subfamilies, which equals about 3,892 subfamilies and constitutes only 3% of all households. The majority of people in subfamilies are in mother-child subfamilies (5,272 people). In addition, the 2000 Census estimated that 6,354 householders or spouses of householders were grandparents with grandchildren under 18 years of age living with them. Data for 2003 from the American Communities Survey indicated that the level of doubling-up has remained stable.

Non-family households have become more prevalent as more people live alone or live with unrelated roommates (including unmarried couples without children). Non-family households comprised slightly over one quarter (27%) of all households within the City in 2000, a slight increase over 1990.

Non-family households are comprised of two groups: those living alone and those living with roommates (often unmarried couples without children). Within Virginia Beach in 2000, nearly three quarters (74%) of non-family households were comprised of people living alone. Males living alone only made up 13% of non-family households while 54% of non-families were females living alone. One third of females living alone were 65 years of age or older (37%). There is a growing need for housing that can accommodate the increasing number of seniors living alone.

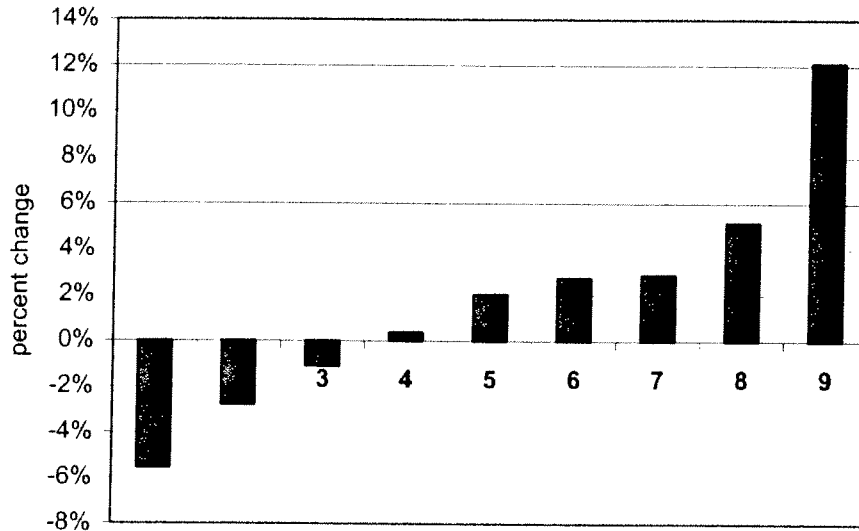
Incomes and Poverty

The median household income in 1999 was \$48,705 in Virginia Beach, 15% higher than in the MSA (\$42,448). Median family income was \$53,242 (only 8% higher than the MSA) and median non-family income was \$33,184 (22% above the MSA levels). The significantly higher income of non-families in Virginia Beach could reflect the scarcity of affordable housing for single people (and others) with lower incomes.

Median household income for the City increased 34% from 1989 to 1999. The Census American Community Survey estimated an additional increase of 7% from 2000 and 2003. However, a key indicator of how well households are doing across the income spectrum is the constant dollar (i.e. adjusted for inflation) income for the bottom 10% of households, the bottom 20%, and succeeding deciles (the median is the 5th decile or 50% percentile). The change in the income level using the constant dollar for each decile indicates how well that portion of households fared during the decade.

Figure 7 presents the percent change in income levels for total households (including military households) in 1989 and 1999 for each decile, with the 1989 income values inflated to 1999 dollars. Although household incomes kept up with inflation between 1990 and 2000 at the median (with a 2% gain in real income), higher income households had significant gains above inflation while lower-income households had significant losses in real income. This leaves lower income households even more vulnerable to escalating housing costs in Virginia Beach.

Figure 7: Total Household Income Deciles Percent Change 1990-2000



Source: US Census PUMS Data 1990-2000 and Center for Housing Research

Households in the 1st, 2nd, and 3rd deciles all experienced a negative change in income, with the 1st decile faring the worst (-6% change). The 4th decile only saw a slight increase in income (.4%). The 5th (median level), 6th, and 7th all experienced relatively the same change in income (2%-3%). The most significant change in income was seen in the 9th decile (incomes around \$95,000 +) which experienced a 12% increase in income over the last decade. This shows a widening gap between those with lower incomes and those with higher incomes and has a considerable impact on the City's housing market. High income households increasingly can afford larger and more expensive homes and low income households increasingly have a difficult time maintaining their current housing situation or finding affordable housing.

The military appears to have had a significant and beneficial impact on incomes in Virginia Beach between 1990 and 2000. The median household income for households with one or more persons in the military increased by 17% in real dollars whereas the median income for all households only increased by 2%. In addition, households with military personnel gained in real incomes across the entire income distribution (see Table 23).

**Table 23: Deciles 1 or more Military person in Household
Income change 1990-2000**

percentiles	1990*	2000	change
10	\$22,725	\$25,000	10.0%
20	\$27,207	\$31,000	13.9%
30	\$31,549	\$36,000	14.1%
40	\$35,955	\$41,010	14.1%
50	\$40,911	\$48,000	17.3%
60	\$47,024	\$52,550	11.8%
70	\$53,903	\$60,000	11.3%
80	\$63,241	\$70,100	10.8%
90	\$79,135	\$91,270	15.3%

*income adjusted to 2000 dollars

Source: US Census PUMS Data 1990-2000 and CHR

Black/White Income Gap

Minority households in Virginia Beach have much lower incomes than whites, with the median household income for whites exceeding that for blacks by 30% (\$51,175 to \$39,171). The median family income for households headed by whites almost always exceeds those for blacks in the same age and family type categories by 15% or more (see Table 23). However, the income gap between blacks and whites has significantly narrowed for married-couple families and for female-head families without a spouse present below the age of 35. If this progress is maintained as these householders age, there will be a significant reduction in the black-white income gap over time.

**Table 24: Median Income by Race, Household Type and Age of Householder
Virginia Beach, 2000**

	White	Black	Total
Median family income in 1999 --			
Total	57,589	41,381	53,242
Married-couple family --			
Total	62,947	51,480	60,602
Householder 15 to 24 years	30,132	27,841	30,117
Householder 25 to 34 years	48,819	45,568	47,642
Householder 35 to 44 years	64,624	54,518	61,958
Householder 45 to 54 years	79,651	65,394	76,247
Householder 55 to 59 years	81,171	69,844	79,019
Householder 60 to 64 years	73,125	61,534	70,561
Householder 65 to 74 years	59,361	50,278	58,446
Householder 75 years and over	48,608	25,000	48,220
Other family --			
Total	34,082	25,348	30,549
Female householder, no husband present --			
Total	31,480	24,615	37,875
Householder 15 to 24 years	17,214	16,009	26,364
Householder 25 to 34 years	21,306	20,353	29,658
Householder 35 to 44 years	32,473	23,673	38,255
Householder 45 to 54 years	39,405	33,500	50,658
Householder 55 to 59 years	45,398	38,750	57,500
Householder 60 to 64 years	45,573	39,375	68,438
Householder 65 to 74 years	36,977	22,031	55,313
Householder 75 years and over	40,357	40,667	63,365
Male householder, no wife present --			
Total	41,383	28,268	28,397
Householder 15 to 24 years	27,390	25,179	16,522
Householder 25 to 34 years	34,000	23,450	21,100
Householder 35 to 44 years	40,559	30,625	28,754
Householder 45 to 54 years	51,956	49,464	36,854
Householder 55 to 59 years	56,000	24,115	41,841
Householder 60 to 64 years	69,141	60,357	42,604
Householder 65 to 74 years	57,031	54,107	34,599
Householder 75 years and over	64,904	26,250	41,875

Source: US Census 2000

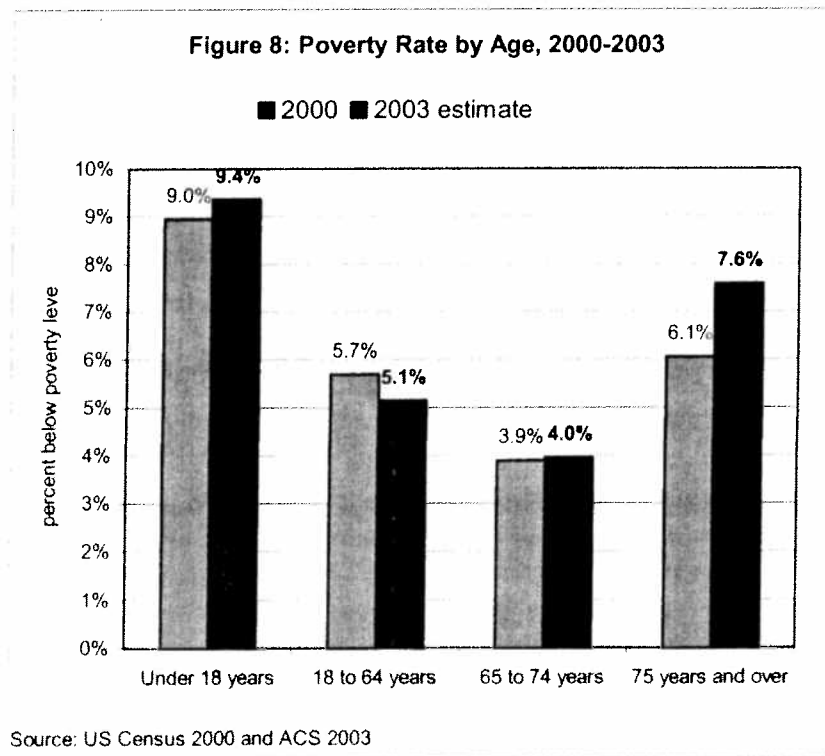
Age and Income

The impact of age on income is a combination of the effects of both maturity and the productivity of an age group. For husband-wife families in Virginia Beach in 1999, median family incomes, as shown in Table 23, were the highest for 55-59 year olds (\$79,019) and then gradually decreased thereafter. Both male-headed and female-headed families without spouses reached their highest median incomes between the ages of 60 and 64 years (\$68,438 and \$42,604 respectively).

Incomes obviously influence housing consumption. Given the changes in incomes levels among lower income and higher income households, a diverse housing market is necessary to meet their needs. Additionally, as the population continues to age over the next decade, the number of post-retirement households will also increase. This has the potential to create a market for smaller houses with amenities targeted to this group and retirement communities.

Poverty

Although Virginia Beach has relatively high incomes compared to the region, poverty is still an issue within the City. There were approximately 27,163 people living below the poverty level in Virginia Beach in 2000, and the City's poverty rate of 7% was slightly below the MSA rate of 11%. In both 2000 and 2003, the poverty rate was highest among children under 18 years of age (see Figure 8). The poverty rate was lowest for individuals between the ages of 65 and 74 years (4%). The poverty rate rose between 2000 and 2003 for all age groups except 18-64 year olds where the rate dropped slightly. The most dramatic increase in poverty was for persons aged 75 and older (from 6% to 7.5%). With people living longer and often relying on social security as their only source of income, the poverty rate will most likely continue to rise for Virginia Beach's elderly population. With fewer resources and less ability or desire to move out of the City to find affordable housing, housing the elderly will become more of a challenge.



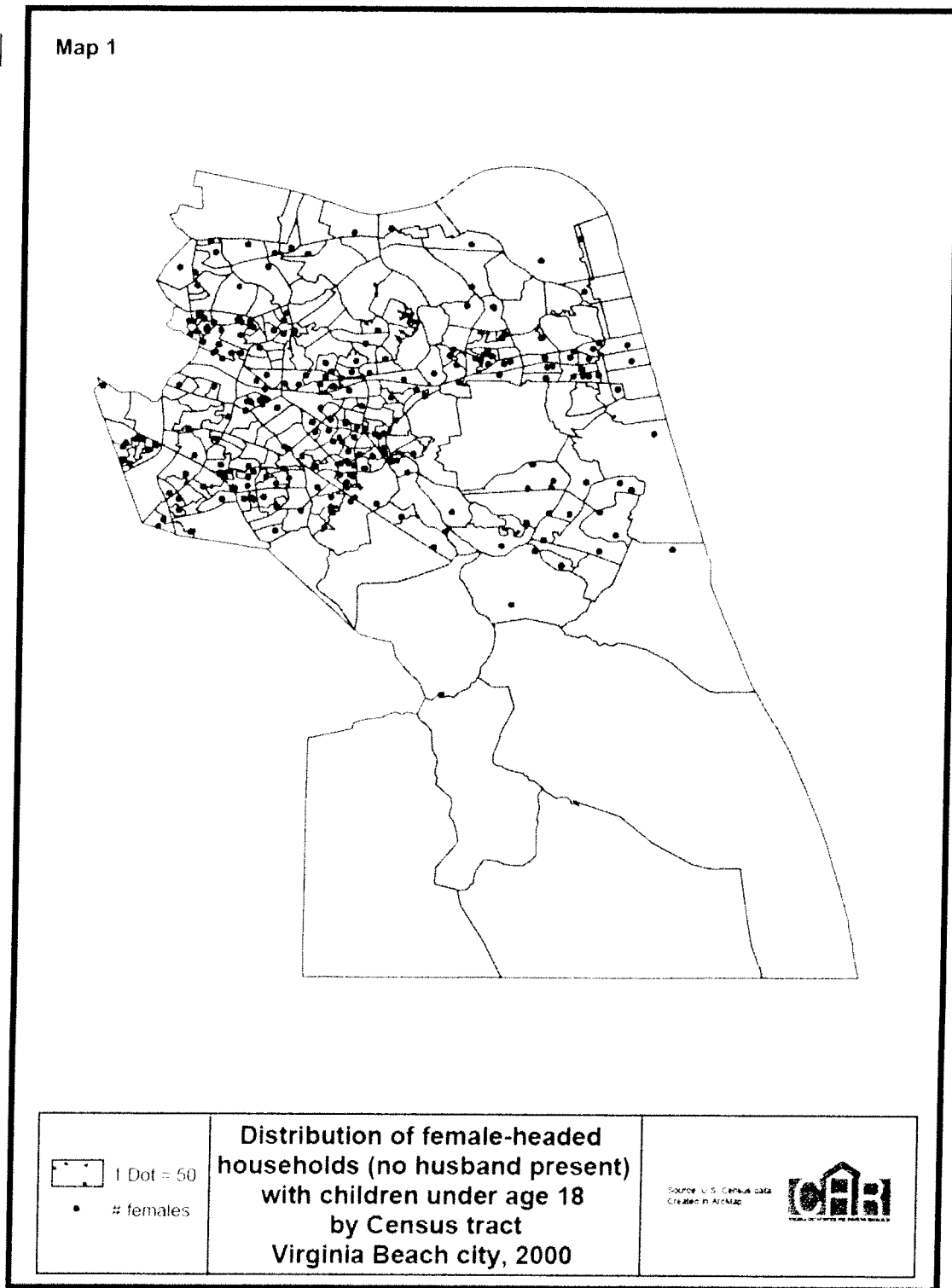
Map 1 shows that in 2000 Virginia Beach had a few pockets of concentrated poverty (greater than or equal to 20% of persons). These areas were scattered throughout the City

but existed mainly in the central portions of the City. However, many areas throughout the city had 5% to 19.9% of residents living below poverty level. The majority of these areas exist in western portion along the Norfolk border, the central portion of the City and along the ocean front.

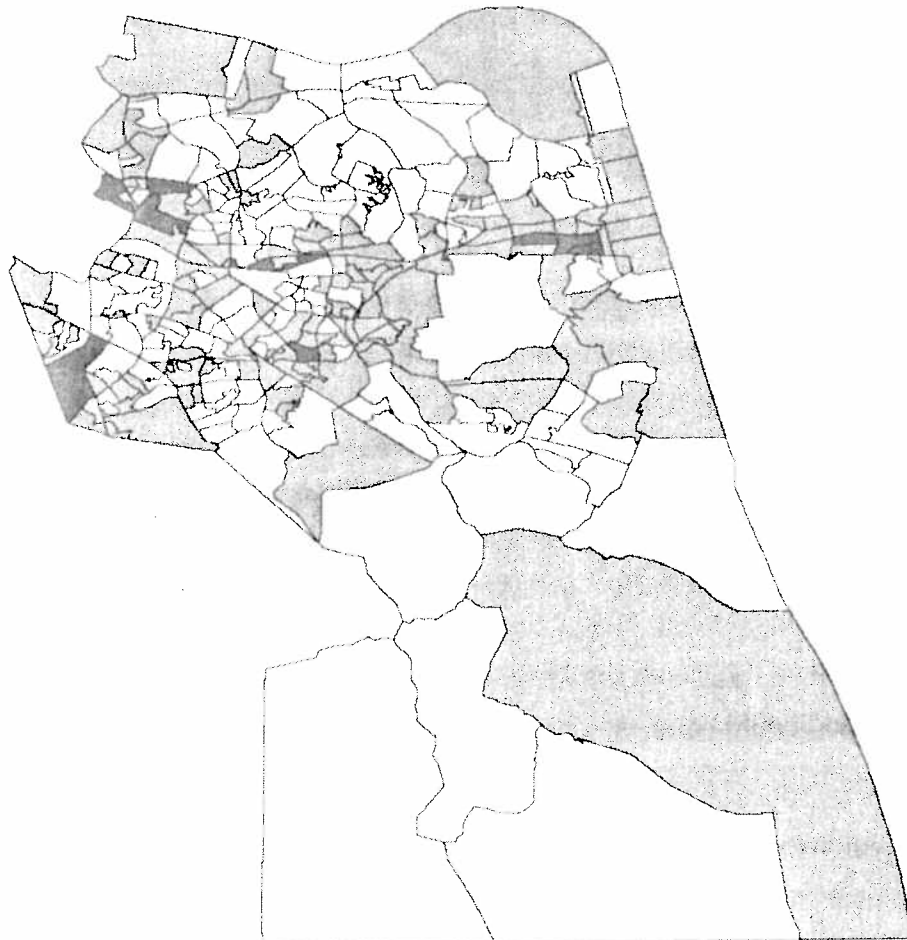
In 2000 in Virginia Beach, the majority of households that fell below the poverty level were female-headed households (62%). Female-headed families without a spouse present were 35% of households living in poverty and non-families¹¹ were 41% of poverty households. Of those, 64% are headed by females. Females are particularly vulnerable to reductions in income due to family dissolution, which can significantly reduce housing consumption and increase cost burdens. Females are also more likely to fall below the poverty line as they age beyond 65 years.

Map 2 shows the concentration of female-headed families in Virginia Beach. When comparing Map 1 to Map 2, the link between female-headed households and persons living below poverty becomes apparent. They are both concentrated within the same areas of the city.


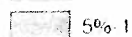

¹¹ Non-family households include single individuals living alone and two or more unrelated people living together.



Map 2



% poverty

-  < 5%
-  5% - 19.9%
-  > 20%

**Percent of persons below poverty by block group
Virginia Beach city, 2000**

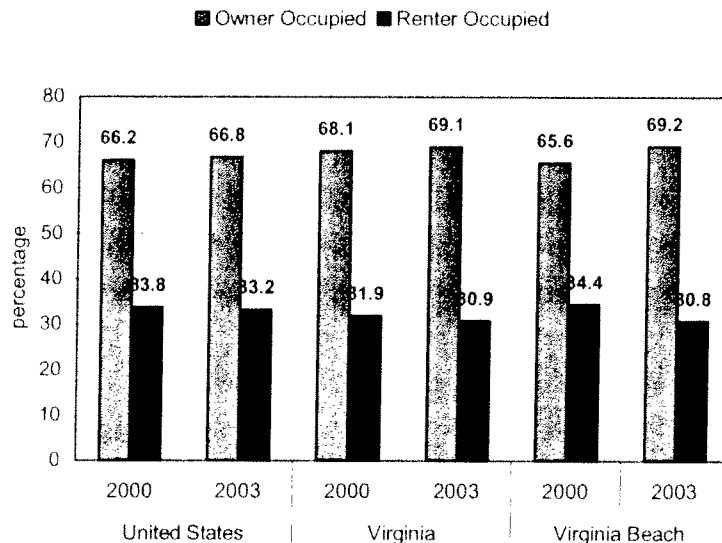
SOURCE: U.S. CENSUS BUREAU
CREATED BY: AECOM



Housing Tenure

Approximately, two of every three households in Virginia Beach live in owner-occupied housing. The ownership rate increased significantly between 2000 and 2003 as lower interest rates made ownership more affordable (65.6% in 2000 to 69.2% in 2003). The City had a slightly higher ownership rate than the MSA as a whole (63%) in 2000 (data are unavailable for the MSA for 2003). Additionally, Virginia Beach had a comparable ownership rate to Commonwealth of Virginia and the nation as a whole (see Figure 9).

Figure 9: Total Housing Tenure, 2000-2003



Source: US Census 2000 and ACS 2003

Among racial and ethnic groups, Virginia Beach's Asian households had the highest homeownership rate at 72.8% in 2000 compared to whites at 69.7% and blacks at 48.7% (see Table 25). In the MSA, however, Asians (64.9%) were second to whites in rate of homeownership (71.5%). Virginia Beach had a slightly higher ownership rate for blacks (48.8%) than in the MSA (45.5%). For both Virginia Beach and the MSA, Hispanics had the lowest homeownership rate. The ownership rate for whites in Virginia Beach was about two percentage points lower than for the MSA as a whole. The 2003 American Community Survey estimates showed an increasing ownership rate for almost all ethnic groups (with the exception of the Hispanic households) with the highest increase in black households of about 9 percent points.

Table 25: Homeownership Rates by Race

	MSA	Virginia Beach	
	2000	2000	2003
White	71.5%	69.7%	72.6%
Black	45.5%	48.8%	57.7%
Asian	64.9%	72.8%	73.2%
Hispanic	42.6%	48.0%	37.3%

Source: US Census 2000 and ACS 2003

As noted earlier, homeownership is heavily influenced by the age of the householder. Young adults typically rent rather than own, at least until their employment and family lives are well-established. The impact of age on homeownership is so strong that more than 8-of-10 householders in Virginia Beach were homeowners by middle age (see Table 26). The ownership rate slightly declined between 1990 and 2000 for all age groups, except the senior cohort (65 years and older), in tune with the MSA as well as the statewide trend that saw declines for all age groups under 45. By 2003, estimated ownership rates showed the influence of a decline in interest rates. Homeownership rates rose significantly across most age groups with the exceptions of householders aged 45-54 with almost no change and householders aged 65-74 with a slight decline (possibly due to selling homes to take advantage of a strong seller's market). Homeownership rates increased for the 75 and older age group by 8 points from 1990 to 2000 and increased by another 9 points between 2000 and 2003. Some implications of this large increase may be increasing numbers of retirees moving to the area or a healthier older population staying in their homes longer.

Table 26: Homeownership Rates by Age, 1990, 2000 and 2003

	MSA		Virginia Beach		
	1990	2000	1990	2000	2003
15 to 24	13.2%	11.7%	15.7%	14.9%	18.1%
25 to 34	41.0%	40.8%	47.4%	43.6%	46.8%
35 to 44	63.0%	64.0%	69.6%	69.2%	74.7%
45 to 54	75.5%	73.7%	81.7%	78.4%	78.3%
55 to 64	79.4%	79.7%	86.3%	84.1%	88.7%
65 to 74	77.2%	81.8%	80.7%	85.7%	83.4%
75 and older	68.3%	74.7%	61.3%	69.2%	78.1%

Source: US Census 1990, 2000 and ACS 2003

As shown on Map 3, homeowners are in a majority throughout the City except for a few areas on the northern and western perimeters and the commercial corridor leading to and along the beach front. In areas just north and south of the center of Virginia Beach, 90% or more of households own their homes. Homeowners can contribute to greater stability and on-going investment in neighborhoods. Neighborhoods with low ownership rates, particularly if those rates are also declining, can become hubs for converting single-family properties from owner to renter occupancy. Such conversions can diminish confidence in the economic vitality of the neighborhood and spawn disinvestment. As current owner-occupants find they cannot sell to other owner-occupants and property values decline, fewer and fewer homeowners are willing to continue to invest in maintaining their properties. Ironically, these very neighborhoods can offer entry-level

homebuyers excellent opportunities, as long as investor confidence is maintained. Strategies to promote homeownership and to engage residents in determining the future of the neighborhood can help maintain that confidence.

Lower interest rates and higher housing prices since 2000 have probably produced higher ownership demand within older neighborhoods that have a relatively affordable supply of housing. Under these market conditions, rental properties are more likely to be converted to owner-occupancy than the reverse. While this could be desirable for single-family properties, conversions of multi-family properties can deplete the affordable rental housing supply unless that supply is expanded through new construction, such as through the Low Income Housing Tax Credit. The City should monitor trends in conversion of properties between owner and renter occupancy to help determine if conversions are having an adverse impact on either the supply of affordable housing or on neighborhood quality.

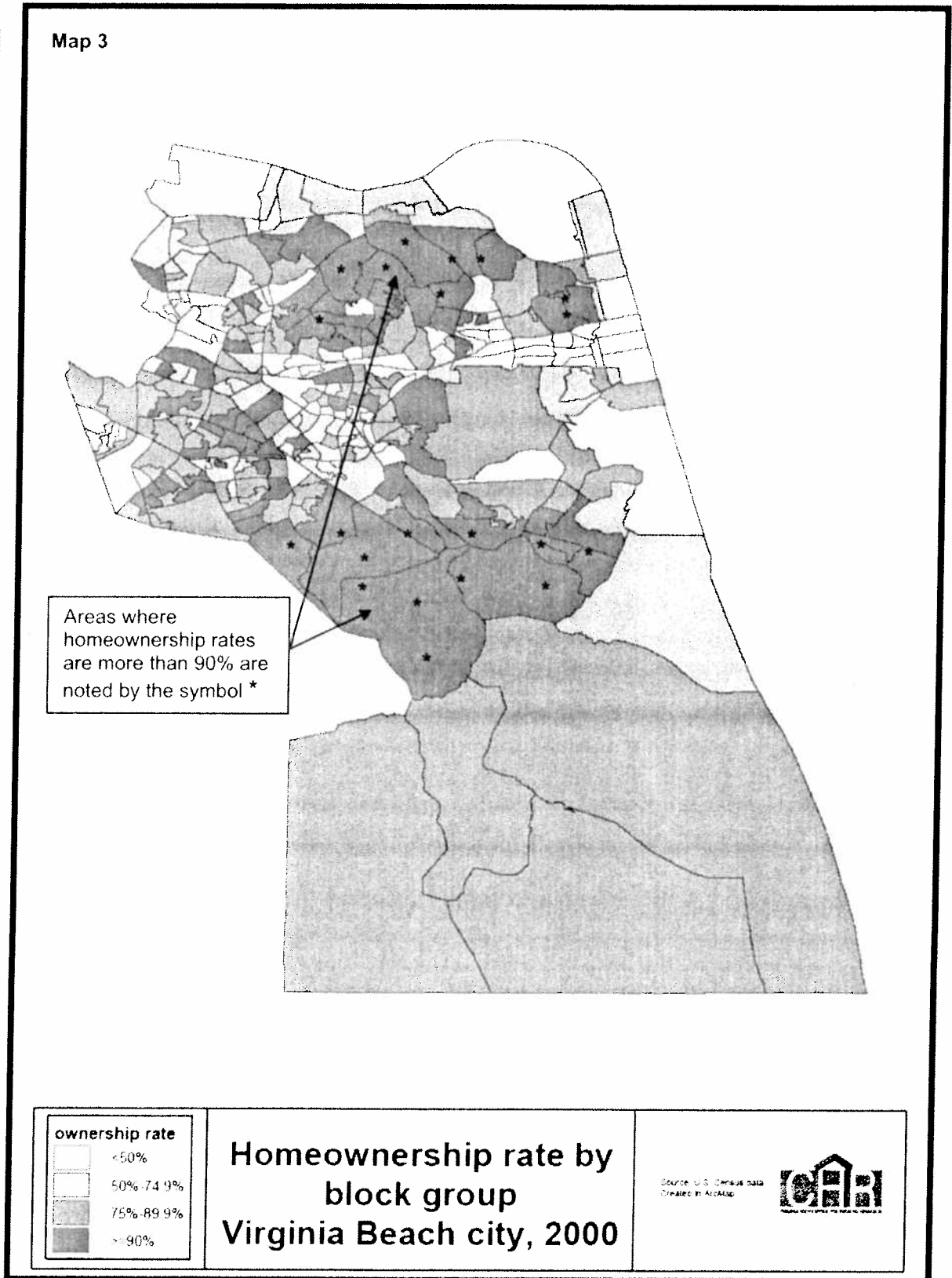
About a third of households in Virginia Beach are renters—approximately 53,000 households in 2000. The number of renters increased only slightly (4.6%) from 1990 to 2000 compared with a 19.5% growth rate among homeowners. Median gross rent was \$734 in 2000, up 27.2% from 1990 and more than 19% above the MSA 2000 median gross rent of \$615. The relatively small increase in renters from 1990 to 2000 in Virginia Beach may partially be attributed to the lack of availability of rental property and rapid rise in the cost of renting. The City's median gross rent increased even further in 2003 reaching \$804.

Nearly half of the City's rental housing stock (42.7%), as well as that of the MSA (44.6%) were 2 bedroom units in 2000 (see Table 27). Slightly more than a quarter of the rental stock consisted of 3 bedroom units, and four bedroom units were scarce (under 6% of renter occupied units). Having a limited supply of rental units with more than 2 bedrooms increases competition for those units and puts low-income families at a severe disadvantage in the marketplace. That trend continued through 2003 in the City with estimates of a diminishing number of larger rental units of 5 bedrooms or more (note that the slight increase in the 4 bedrooms units might contribute to the margin of error in the 2003 ACS estimates). Most of the rental units added in between 2000 and 2003 in the City seem to be primarily in the 2 bedroom range. Consequently, low-income families needing three or more bedrooms might find a limited supply of rental housing and can be severely disadvantaged in the housing market.

Table 27: Renter Occupied Units by Number of Bedrooms

	MSA		Virginia Beach	
	2000	2000	2000	2003
Renter occupied	37.0%	34.4%	30.8%	
No bedrooms	3.2%	2.7%	1.2%	
1 bedroom	22.0%	19.6%	13.5%	
2 bedrooms	44.6%	42.7%	51.4%	
3 bedrooms	24.3%	28.2%	27.6%	
4 bedrooms	5.2%	6.0%	6.2%	
5 or more bedrooms	0.7%	0.8%	-	

Source: U.S. Census 2000 and ACS 2003



Housing Needs

Worst Case Housing Needs

Worst case housing is defined as households with incomes less than 50% of the Area Median Family Income that have one or more of the following conditions: pay half or more of their income for housing, have zero income¹², occupy units with incomplete plumbing facilities, or are overcrowded (1.51+ persons per room). Any of these conditions qualifies a household as having a worst case housing need. By far the most likely qualifying condition of worst case housing is cost burden. "Incomplete plumbing" means that the individual housing unit (rather than the structure) does not have complete plumbing (a bathroom with a toilet, bath/shower, and sink) in that unit, although these facilities could be elsewhere in the building. In a city, incomplete plumbing typically identifies units in apartment buildings or boarding houses where bathroom facilities are shared by occupants of several units.

As shown in Table 28, in 2000, the City of Virginia Beach had 4,730 owner-occupied households with worst case housing needs and ranked second highest among cities and counties in the Virginia (behind Fairfax County). One-in-four of every very low-income owner in the City had a worst case housing need (See Map 4). The map clearly indicates the concentration of worst case needs households in the older districts of the City, primarily in the areas marked with asterisks on the map and the area surrounding Oceana airbase. These areas should be considered when addressing housing support for the households most in need.

Table 28: Top 10 Owner-Occupied Worst Case Housing Needs in Virginia

Rank	Number
1 Fairfax County	9,995
2 Virginia Beach City	4,730
3 Richmond City	3,344
4 Norfolk City	3,250
5 Henrico County	3,159
6 Prince William County	2,995
7 Chesterfield County	2,515
8 Chesapeake City	2,490
9 Newport News City	2,290
10 Hampton City	2,015

Source: CHASE 2000 and Center for Housing Research

In addition, as shown in Table 29, the City had 7,195 renter households with worst case housing needs (58% of all very low-income renters in the city), placing Virginia Beach 5th highest among cities and counties in the state. Map 5 shows the ratio of very low income renter-occupied households with worst case housing. The distribution of renter-occupied households closely follows the same pattern as the owner-occupied households

¹² The decennial Census allows respondents to report zero and even negative incomes (one reportable type of income is net self-employment income which is gross receipts less expenses).

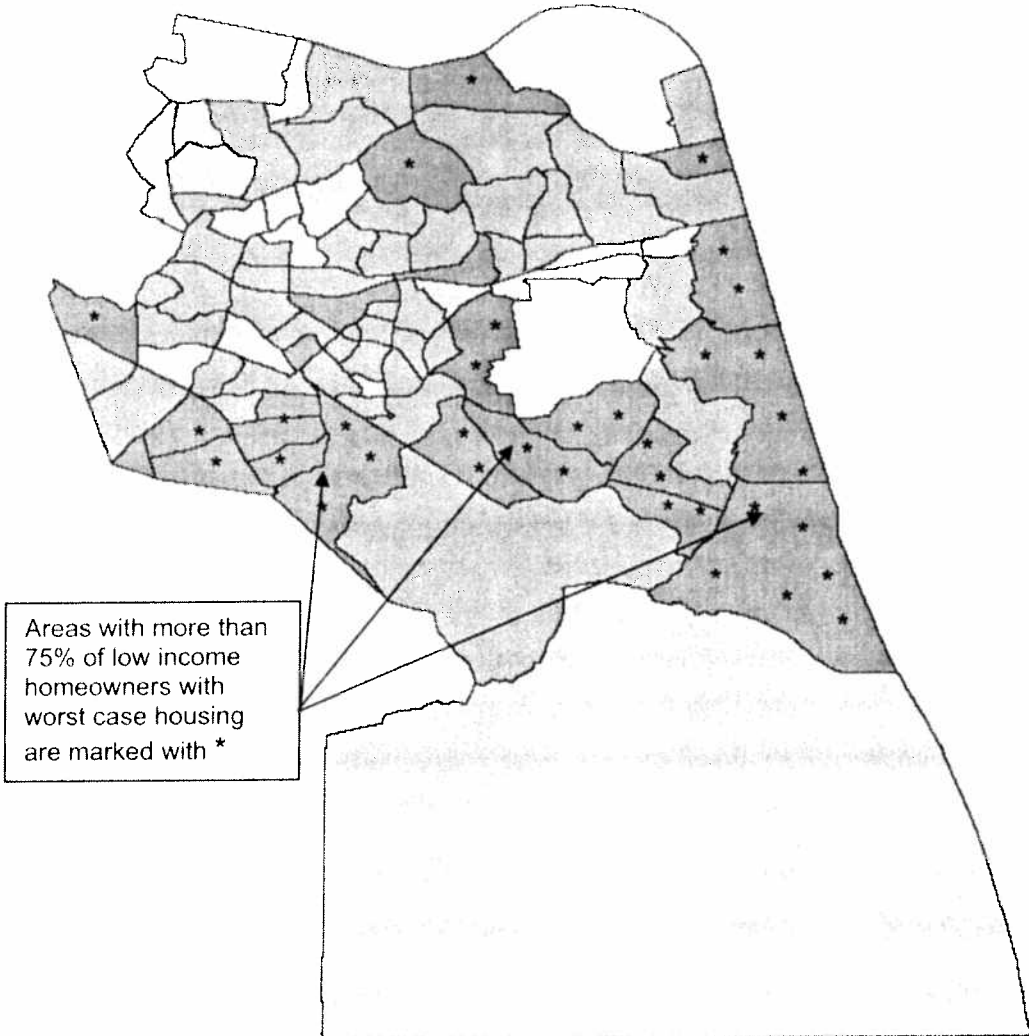
with higher concentrations in the western and central areas of the city rather than the back areas of the beachfront.

Table 29: Top 10 Renter Occupied Worst Case Housing Needs in Virginia


Rank	Number
1 Fairfax County	12,945
2 Richmond City	10,710
3 Norfolk City	9,665
4 Arlington County	7,595
5 Virginia Beach City	7,195
6 Newport News City	5,745
7 Alexandria City	5,485
8 Henrico County	4,925
9 Montgomery County	4,165
10 Hampton City	4,020

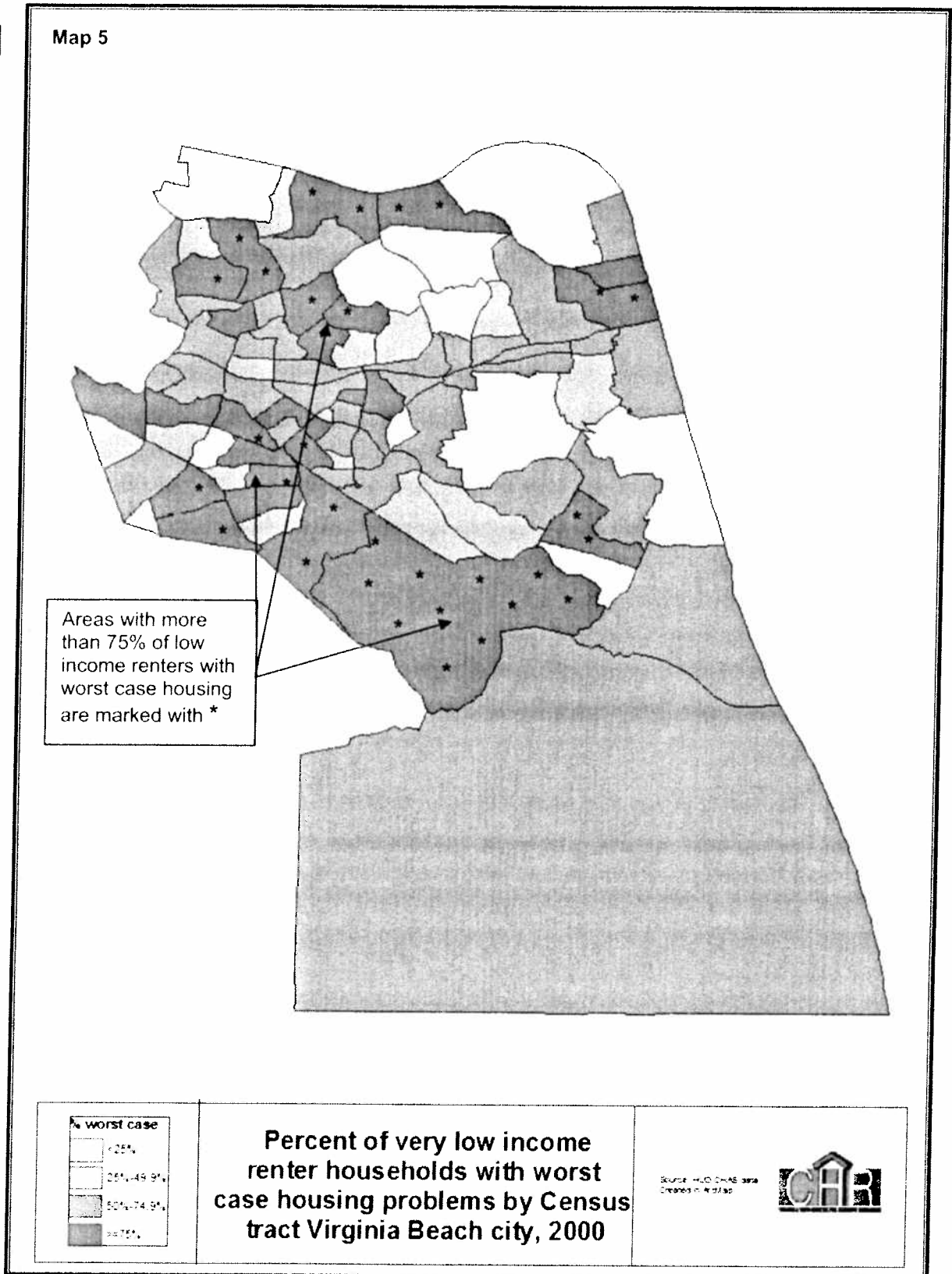
Source: CHASE 2000 and Center for Housing Research

Map 4



Areas with more than 75% of low income homeowners with worst case housing are marked with *

<p>vb wc3 %WC</p> <table border="1"><tr><td>0-25%</td></tr><tr><td>26%-50%</td></tr><tr><td>51%-75%</td></tr><tr><td>>75%</td></tr><tr><td>NA</td></tr></table>	0-25%	26%-50%	51%-75%	>75%	NA	<p>Percent of very low income homeowners with worst case housing problems by Census tract Virginia Beach city, 2000</p>	<p>Source: HUD CHAS data Created by ARCADIS</p> 
0-25%							
26%-50%							
51%-75%							
>75%							
NA							



Nearly one-third of all households (about 30% of renters and 20% of owners) with housing problems are non-elderly people living alone or with unrelated roommates (including unmarried couples without children). Some of these “singles” could be young adults starting out in the housing market and their housing problems (mainly cost burden) could be resolved as incomes increase with work experience. Others could face more permanent housing problems. In addition, more research is needed to study problems of young first-time buyers and elderly owners. Young low-income homeowners could need assistance in managing budgets and in weathering fluctuations in income that could result in foreclosure. Older low-income owners might benefit from assistance with housing maintenance, with using their housing equity to improve quality of life, and with protection against predatory lenders who frequently prey on low-income, elderly homeowners.

Housing Cost Burden

One of the best measures of housing problems, particularly affordability problems, is cost burden, or the ratio of gross housing costs to income¹³. When households are required to devote a large portion of their income to housing, they typically have to sacrifice elsewhere. Often severe cost burdens are associated with emotional stress, family instability, and risk of eviction and homelessness.

In 2000, about two thirds of all renters in Virginia Beach paid less than 30% of their incomes for housing. Yet, 14.5% of all renter households paid more than 50% of their income towards rent putting a severe cost burden on their household. Compared to the MSA in 2000, Virginia Beach seems to have had a favorable overall affordable rental environment with higher percentage of renters paying less than 30% of their income towards rent, and lower percentage of renters paying more than 50% (Table 28). The distribution of renters paying 50% or more of their income for their housing throughout the City (Map 6) helps to pinpoint areas for further study where rental affordability is a problem (either due to low incomes or high rents).

Table 28: Renter Cost Burden, 2000

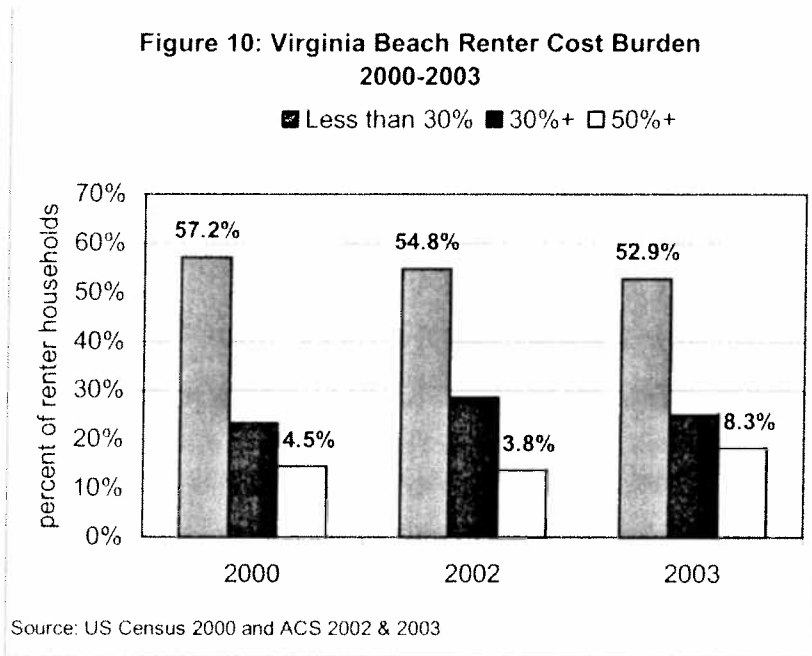
	Virginia Beach	MSA
less than 30%	57.2%	55.3%
more than 30%	23.4%	21.5%
more than 50%	14.5%	16.4%
not computed	4.9%	6.7%

Source: U.S. Census 2000

Since 2000 and through 2003, there has been an increase in the rent burden for all renters in the City with a decline in renters paying less than 30% of their income for housing from 57.2% in 2000 to 52.9% in 2003 and an increase in those paying more than 50%

¹³ Other key indicators are the incidence of units lacking plumbing or other indicators of physical housing problems such as overall physical deterioration due lack of maintenance or the presence of hazardous materials such as lead paint or asbestos insulation particularly in older housing stock.

towards rent from 14.5% in 2000 and 18.3% in 2003 (Figure 10). This double effect trend indicates a shrinking affordable housing market in the City combined with the general increase in gross rents (as indicated earlier in Figure 5).



In 2000, 72.2% of all owner households in Virginia Beach paid less than 30% of their income for housing, while only 18.5% paid more than 35% of their income¹⁴. From 2000 to 2003, owner cost burdens decreased (Figure 11), even though prices increased faster than incomes. Four factors contributed to this improvement in ownership affordability. First, lower interest rates offset the effect of increasing prices. Second, many existing owners took advantage of the lower rates to reduce their cost burdens by refinancing. Third, population aging resulted in more owners being at or near their peak income years. Fourth, owners with substantial equity due to length of tenure and increased values were able to leverage this equity and “move-up” in the market without increasing their cost burden. (See Table 29.)

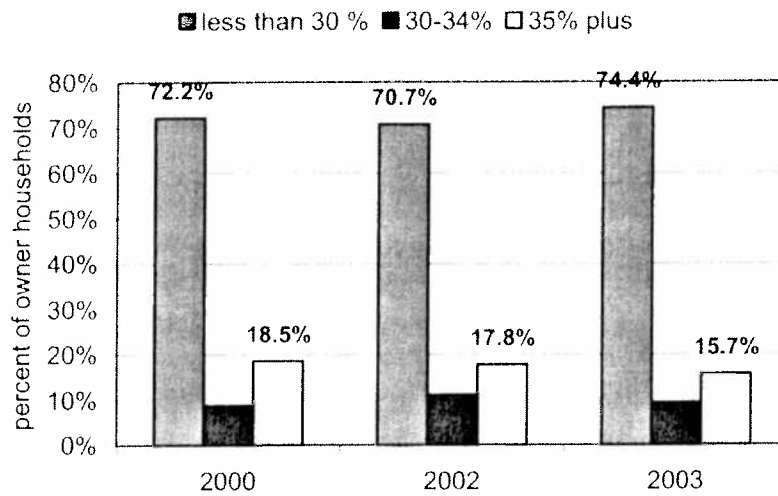
Table 29: Owner Cost Burden, 2000

	Virginia Beach	MSA
less than 30%	72.2%	74.0%
30% to 34%	8.8%	7.8%
more than 35%	18.5%	17.7%
not computed	0.4%	0.6%

Source: U.S. Census 2000

¹⁴ Total owner cost burden in the US census is provided only for the more than 35% category, unlike for renters where it is provided for more than 50% of household income.

Figure 11: Owner-Occupied Cost Burden, 2000-2003



Source: US Census 2000 and ACS 2002 & 2003

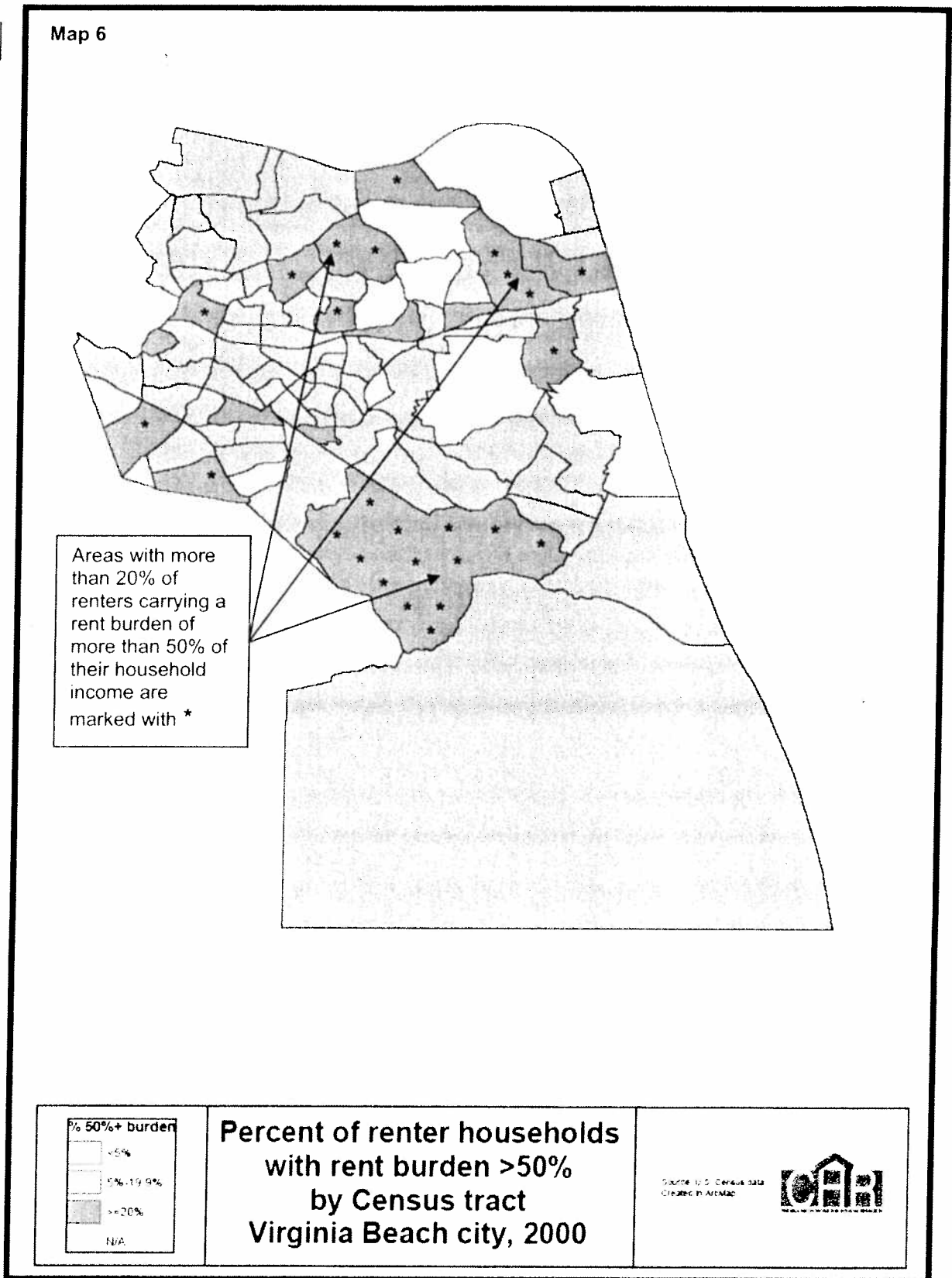
Table 30 shows the cost burden by income and tenure for lower income households who pay more than 50% of their income towards their housing costs in 1990 and 2000 (the most recent published data tables) based on the CHAS data tables.

- For extremely low income households (less than 30% of AMFI), extremely cost-burdened households increased by 2% and 3% for renters and owners respectively.
- For very low income households (30-50% AMFI), extremely cost-burdened households decreased by 6% for renters and increased by 2% for owners.
- For low-income households with incomes between 50-80% the area median, extremely cost-burdened renters and owners decreased between 1990 and 2000.

Table 30: Cost Burden by Income and Tenure, Virginia Beach 1990 and 2000

Household by Income	1990			2000			1990-2000 Change		
	Rent	Own	Total	Rent	Own	Total	Rent	Own	Total
less than 30% AMFI	4,420	2,056	6,476	5,771	2,815	8,586	1,351	759	2,110
% Cost Burden >50%	67.5	67.3	67.4	69.3	70.5	69.7	2	3	2
30% - 50% AMFI	5,708	2,699	8,407	6,660	4,788	11,448	952	2,089	3,041
% Cost Burden >50%	45.2	48.6	46.3	38.8	50.4	43.7	-6	2	-3
50% - 80% AMFI	12,697	9,302	21,999	13,415	12,477	25,892	718	3,175	3,893
% Cost Burden >50%	5	27.4	14.5	4.4	16	10	-1	-11	-5

Source: CHAS Data Book 1990 and 2000



Homelessness

Homelessness is probably the most extreme housing problem. The homeless are the most vulnerable in the housing market and are usually served by particular agencies and organizations coordinated through the Virginia Beach Continuum of Care (CoC). The Virginia Beach CoC completed a survey of homeless in 2004. (It is important to note that the CoC count is a point-in-time survey that does not provide an accurate count of the traditional homeless population as defined by HUD. A more accurate tool for measuring the homeless population and appropriately assessing their needs is Homeless Management Information System (HMIS). Such a system does not yet exist in Virginia Beach, but is being developed collectively on the state level. Until such a system is in place, the CoC count provides the best available data on the homeless.) Results of the 2004 survey showed there were 463 homeless persons in Virginia Beach on the day of the count, fewer than in the Virginia Peninsula¹⁵ and Norfolk, but more than in Portsmouth and Chesapeake. About 200 of the homeless population counted in Virginia Beach were in emergency shelters, 170 were in transitional housing while 93 were unsheltered. The CoC estimated a need for 300 additional beds in shelters and permanent supportive housing to service the homeless population.

The survey also pointed out the need for permanent supportive housing to service the chronically homeless (72 persons in 2004). Such housing would support the national objective to end chronic homelessness over this decade. The chronic homeless stay homeless longer than other groups and need additional services to address their particular mental health and substance abuse problems. While the CoC survey did not capture those on the verge of homelessness, we know that according to the Census, in Virginia Beach in 2000 there were approximately 4,000 families (2.4% of households, equal to the state figure and slightly lower than the MSA where 2.7% of households had subfamilies) "doubled-up" with relatives or friends. Many of these families probably cannot afford housing on their own.

Housing Problems by Household Type

As shown in Table 31, in 2000, nearly 3,000 elderly (65 and older) renters and 4,500 elderly owners had some housing problem (defined as having cost burden greater than 30% of income and/or overcrowding and/or incomplete complete kitchen or plumbing facilities).

- One-in-six very-low income renters with housing problems were elderly, while nearly one-in-three very-low income owners with housing problems were elderly.
- Although 60% of extremely low-income elderly renters and owners had cost burdens over 50% of income, younger extremely low-income renters and owners were even more likely to spend greater than half of their incomes for rent.

¹⁵ Including the City of Hampton, the City of Newport News, James City County, York County, Poquoson City, and Williamsburg City.

- Elderly renters were much more likely to have extreme cost burdens (in excess of 50% of income) than other households with incomes above 30% of the area median family income.

Table 31: Demographic Characteristics of Low Income Renters and Owners with Housing Problems

Household by Income	Renters					Owners				
	Elderly	Small Related	Large Related	All other	Total Renters	Elderly	Small Related	Large Related	All Other	Total Owners
less than 30% AMFI	1,068	2,439	385	1,879	5,771	990	860	190	775	2,815
% with any housing problems	73.9	78.5	85.7	80.8	78.9	76.8	83.7	89.5	77.4	79.9
% Cost Burden >50%	59.5	68.7	62.3	77.2	69.3	60.1	81.4	76.3	70.3	70.5
30% - 50% AMFI	1,030	3,110	785	1,735	6,660	1,710	1,869	429	780	4,788
% with any housing problems	77.7	86.2	82.2	92.8	86.1	60.8	86.9	95.6	77.6	76.8
% Cost Burden >50%	55.3	31.4	22.9	49.6	38.8	34.2	64.7	47.8	53.2	50.4
50% - 80% AMFI	1,190	6,540	1,570	4,115	13,415	2,809	5,784	1,795	2,089	12,477
% with any housing problems	73.1	52.8	54.1	64.2	58.3	35.4	74.3	69.9	74.9	65
% Cost Burden >50%	13.9	1.9	3.2	6	4.4	11	18.6	8.6	21.7	16
more than 80% AMFI	1,924	13,324	2,214	9,865	27,327	13,079	48,335	8,755	11,010	81,179
% with any housing problems	21	7.9	20.3	9.3	10.3	13.1	15.2	21.2	22.7	16.5

Source: CHAS Data Book 2000

Although most of the low-income (50%-80% AMFI) and extremely low-income (less than 50%AMFI) households with housing problems are families (Table 32), between 1990 and 2000 the percentage of elderly with housing problems increased except for extremely low-income owners.

- For the extremely low-income households), elderly renters slightly increased between 1990 and 2000 while elderly owner households with housing problems decreased by about 4%.
- In 2000, about one in every six extremely low-income renters with housing problems were elderly, while nearly one in every three very low-income owners with housing problems were elderly.

- In 2000, more than half (55%) of low-income renters and two thirds of owners (68.5%) with housing problems were families.
- For low income households with incomes between 50-80% of the area median and with housing problems, elderly households increased between 1990 and 2000 for both renters and owners by 5% and 3.1% respectively.
- In 2000 within the 50-80% AMFI category, elderly renters and owners with housing problems represented approximately 11% and 12% respectively.

Table 32: Very Low Income and Low Income with Housing Problems, Virginia Beach 1990 and 2000

With Housing Problems:	Renters			Owners		
	1990	2000	change	1990	2000	change
less than 50%AMFI	8,379	10,288	22.8%	3,685	5,926	60.8%
% Elderly	15.0%	15.5%	0.5%	34.4%	30.4%	-4.0%
% Family	61.1%	54.1%	-7.0%	NA	49.3%	
% Non-elderly, non-family	24.0%	30.4%	6.4%	NA	20.3%	
50-80%AMFI	8,609	7,821	-9.1%	6,502	8,110	24.7%
% Elderly	6.1%	11.1%	5.0%	9.2%	12.3%	3.1%
% Family	64.5%	55.0%	-9.5%	NA	68.5%	
% Non-elderly, non-family	29.5%	33.8%	4.3%	NA	19.3%	

Source: CHAS Data Book 1990 & 2000 and Center for Housing Research

Elderly households are particularly vulnerable to housing problems and housing affordability especially at the lower income groups as indicated earlier. Projecting the growth of these households can help address and plan for their housing needs. Table 33 shows the projected number of elderly households by tenure for Virginia Beach in 2010 and 2020.

- For elderly renters, the majority of households fall below the 80% AMFI income level with a projected growth of about 12 percent in this decade and 15 percent during 2010 and 2020.
- For elderly homeowners, more than half of all households have less than 80% AMFI with a projected growth of about 11 percent in 2000-2010 and 16 percent in 2010-2020.

Table 33: Elderly Households Projection by Tenure, 2010 & 2020

	Renters				
	2000	2010	2000-2010 change	2020	2010-2020 change
less than 30% AMFI	2285	2566	12.3%	2955	15.2%
30% - 80% AMFI	1193	1336	12.0%	1542	15.4%
80% - 100% AMFI	463	520	12.4%	598	15.1%
100% - 120% AMFI	67	76	13.8%	87	14.0%
more than 120% AMFI	394	443	12.5%	510	15.0%
Total	4402	4941	12.3%	5692	15.2%

	Owners				
	2000	2010	2000-2010 change	2020	2010-2020 change
less than 30% AMFI	3091	3463	12.0%	3995	15.4%
30% - 80% AMFI	4861	5359	10.3%	6255	16.7%
80% - 100% AMFI	4437	4903	10.5%	5713	16.5%
100% - 120% AMFI	1772	1957	10.4%	2282	16.6%
more than 120% AMFI	3133	3484	11.2%	4041	16.0%
Total	17294	19166	10.8%	22286	16.3%

Source: Center for Housing Research

Persons with Disabilities

Persons with disabilities are another vulnerable population group in terms of housing needs. The 2000 Census provides several measures of disability for persons aged 5 and older, as well as for persons 65 and older. In the 2000 Census, there were 359,890 people age 5 and older living in Virginia Beach City of whom 15.8% were living with a disability, representing over 56,000 people potentially needing accessible housing (Table 34). In addition to living with a disability, about 5,400 people had also been living below the poverty level. The American Community Survey of 2003 also estimates that the numbers and percentages of those living with a disability and in poverty in Virginia Beach are slightly declining. Although the ACS is based on a much smaller sample survey than the decennial census with a larger standard error, it is still indicative of a declining trend of these two groups (disabled and disabled in poverty) over the first three years for this decade particularly in the 21-64 years age group and the elderly who are more than twice as likely as all others to have a disability, and are more likely to have a disability and be below the poverty level than any other age group.

Table 34: Disability and Poverty, Virginia Beach 2000-2003

2000 Census					
Age	Total Population	With a disability	and below poverty	% with a disability	% with disability and below poverty
5 to 15 years	72,600	5,098	692	7.0%	1.0%
16 to 20 years	26,517	3,349	429	12.6%	1.6%
21 to 64 years	226,628	34,801	3,384	15.4%	1.5%
65 years and over	34,145	13,565	922	39.7%	2.7%
Total	359,890	56,813	5,427	15.8%	1.5%

2003 estimates					
Age	Total Population	With a disability	and below poverty	% with a disability	% with disability and below poverty
5 to 15 years	72624	7173	700	9.9%	1.0%
16 to 20 years	29067	3843	0	13.2%	0.0%
21 to 64 years	241238	22650	2778	9.4%	1.2%
65 years and over	37941	11144	569	29.4%	1.5%
Total	380,870	44,810	4,047	11.8%	1.1%

Source: US Census 2000 and ACS 2003

Nearly 21,049 households in Virginia Beach had a person with a mobility or self-care limitation in 2000 (Table 35). About half of these households were low-income households spreading gradually between the less than 30%AMFI, 30-50%AMFI, and 50-80%AMFI categories (2,049, 2355, and 3,985 respectively). Almost two thirds (68%) of the total households were owner occupants, and about one third (35%) of the total were elderly (split fairly evenly between “extra” elderly (one or two member households where either is 75 or older) and those between the ages of 62 and 74). The percentage of households with mobility and self-care limitations as well as housing problems appear generally to increase in lower income households and decrease in higher incomes (particularly for elderly and extra elderly homeowners where it declines from an average of 80% for households with less than 30% AMFI to an average of 13% for those with more than 80% AMFI).

Table 35: Households with Mobility and Self-Care Limitations with Housing Problems

Household by Type/Income	Renters				Owners			
	Extra Elderly (>75y)	Elderly	All others	Total	Extra Elderly (>75y)	Elderly	All others	Total
less than 30% AMFI	285	165	870	1,320	215	189	325	729
% with any housing problems	77.2	60.6	81	77.7	88.4	76.7	90.8	86.4
30% - 50% AMFI	295	155	675	1,125	415	210	605	1,230
% with any housing problems	81.4	67.7	82.2	80	50.6	73.8	81	69.5
50% - 80% AMFI	340	170	1,195	1,705	390	590	1,300	2,280
% with any housing problems	79.4	55.9	66.9	68.3	29.5	44.1	62.3	52
more than 80% AMFI	460	230	1,945	2,635	1,400	2,025	6,600	10,025
% with any housing problems	44.6	4.3	11.1	16.3	12.5	14.8	18.6	17
Total Households	1,380	720	4,685	6,785	2,420	3,014	8,830	14,264
% with any housing problems	67.8	43.1	48.6	51.9	28.5	28.5	32	30.7

Source: CHAS Data Book 2000

Persons aged 65 and over are more than twice as likely as all others to have a disability. Older persons with disabilities often have special needs for housing, as well as needs for social services. As shown in Map 7, persons aged 65 and over with a physical disability live in all parts of Virginia Beach but are somewhat more concentrated in the northwestern and central portion of the city. Elderly persons with disabilities were also more likely to be below the poverty level than any other age group.

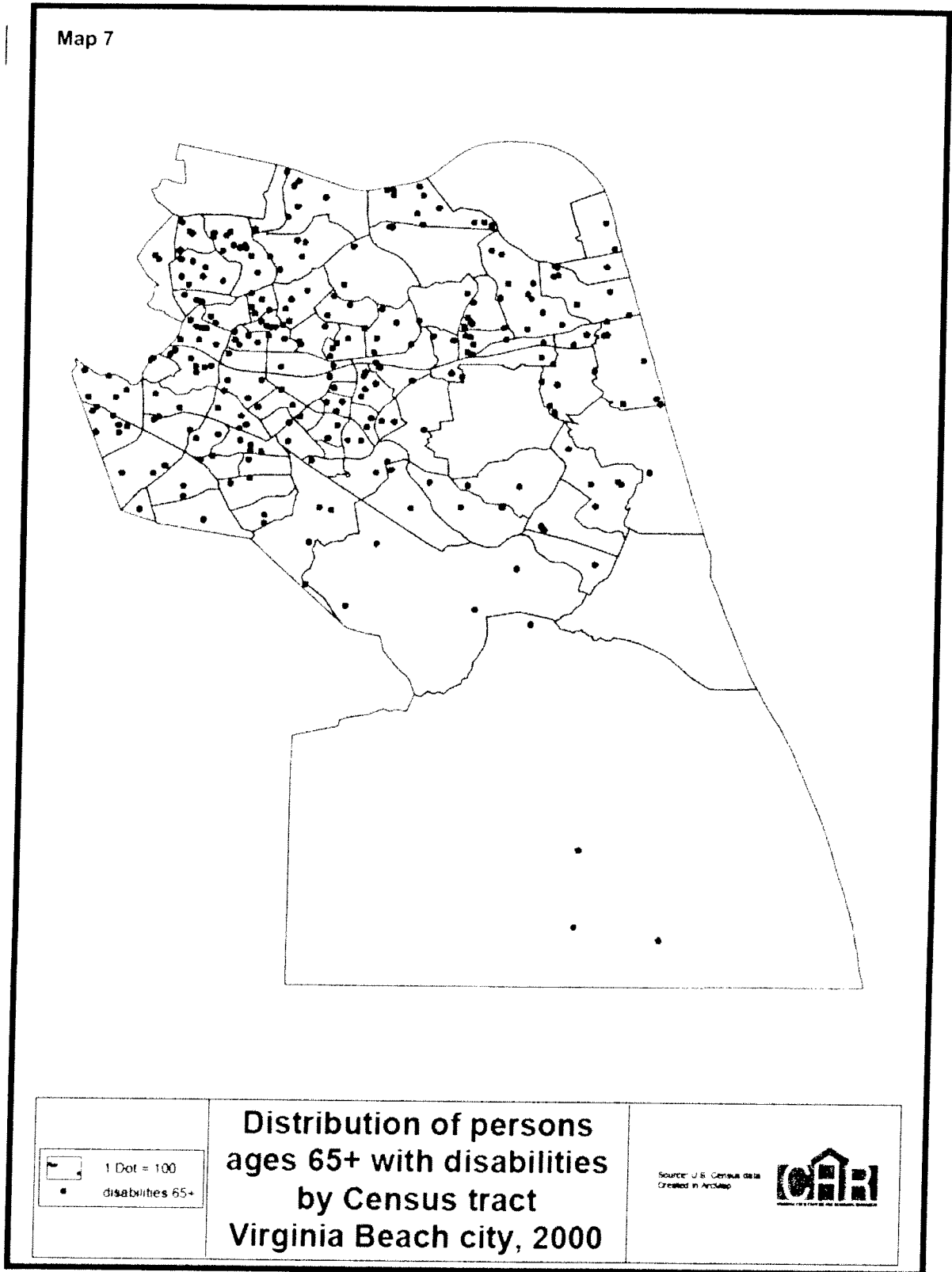
Special needs population in Virginia Beach

The Virginia Beach Department of Human Services provided additional data on the housing needs for the elderly and people with disabilities. The 2002-2008 Virginia Department of Health Comprehensive State Plan indicated that there are an estimated 3,147 to 4,082 persons (0.7%-1.0% of total population in 2000) in Virginia Beach with mild to profound mental retardation (MR). As a result of the commitment to reduce the size of large state operated mental retardation facilities, there is a need to develop more community based Intermediate Care Facilities for People with Mental Retardation (ICF/MRs) to serve this population at the local level. Currently, the Virginia Beach ICF/MR has 8 beds, in addition to 356 Medicare Waiver slots for MR residential services. About 1,500 of the moderate to profound MR population is estimated to need either Medicare waiver slots or ICF/MR beds to serve their special needs for housing support and services in Virginia Beach. Mild MRs can usually get by on their own with minimal support (the City currently provides support for 40 persons in this category).

The Virginia Department of Human Services utilizes about 207 beds (39 of which are private providers) to serve persons with Mental Health (MH) and Substance Abuse (SA) throughout the City. A total of 195 beds are dedicated to MH, and 13 for SA. As of February 2005, the Department had 45 clients on a waiting list. These placements vary from intensively supervised to independent settings. In addition, Virginia Beach has 17 licensed Assisted Living Facilities (ALFs) with a total bed count of 1721.

The Biennial Report on Virginia's Disability Services System¹⁶ emphasized a set of issues relating to housing services and needs of persons with disabilities throughout the State that is applicable to Virginia Beach as well. The lack of sufficient housing subsidies and housing units accessible for persons with mobility or sensory limitations were the major concerns of the report. In addition, the affordability of these accessible housing options including in ALFs is a major issue. The ALF system has been operating under reimbursement levels that are insufficient to provide for improvements in services, and those dependent on SSI and need ALF services were effectively limited to residing in ALFs in order to receive subsidized shelter and care. There is increased longevity of persons with mental retardation or a developmental disability putting strains on the system and contributing to longer waiting lists for ALF services.

¹⁶ The Biennial Report on Virginia's Disability Services System, Virginia Board for People with Disabilities, Virginia's Developmental Disabilities Planning council, Interim Report, March 2005.

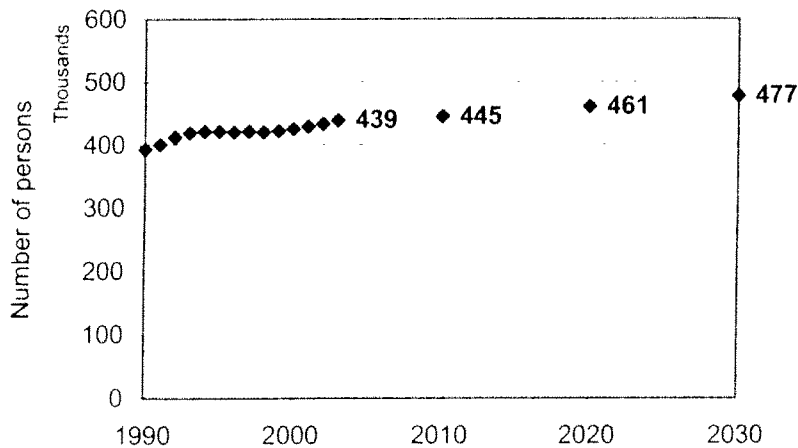


Population Growth

Population growth in the Virginia Beach MSA has slowed considerably over the past decade. While the MSA population increased by 20% during the 1980s, the growth rate in the 1990s slowed to only 9%. According to the Virginia Employment Commission (VEC), which produces the state's official population projections, the growth rate for the current decade (2000-2010) and the successive decades (2010-2020 and 2020-2030) will slow to 5%. Projected growth rates assume a continuation of current economic trends affecting net migration into the region.

The population growth rate of Virginia Beach was more than double that of the MSA during the 1980s, but has since dropped below the MSA's growth rate. Between 1980 and 1990, the City's population increased by nearly 50% (from 262,199 to 393,069). However, during the 1990s, Virginia Beach's growth rate was only 8% (from 393,069 in 1990 to 425,257 in 2000). The VEC projects 5% growth for the City from 2000-2010 (3% below the rate for the 1990's) and 4% and 3% for 2010-2020 and 2020-2030 respectively (see Figure 12). However, a recent study by the Hampton Roads Planning Commission¹⁷ estimated almost 50,000 more persons (526,100) in Virginia Beach for the year 2026 than the number of persons projected by the VEC for 2030 (477,000). Based on the American Community Survey's (ACS) population estimates for 2001 through 2003, the annual population growth rates for the City have slowed considerably compared to rates of the previous decade (peak annual growth rate was 6.3% 1985-1986) reaching 1.3% in 2002-2003.

Figure 12: Virginia Beach Population Projection



Source: VEC and ACS 2001, 2002, and 2003

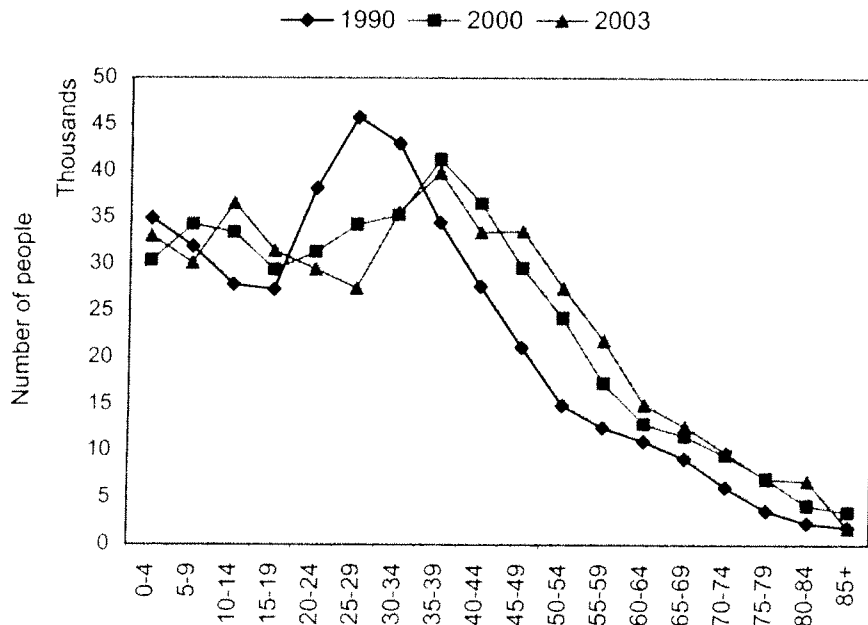
¹⁷ Hampton Roads Planning Commission, (2004). *2026 Regional Transportation Plan Technical Document*.

Change within the City

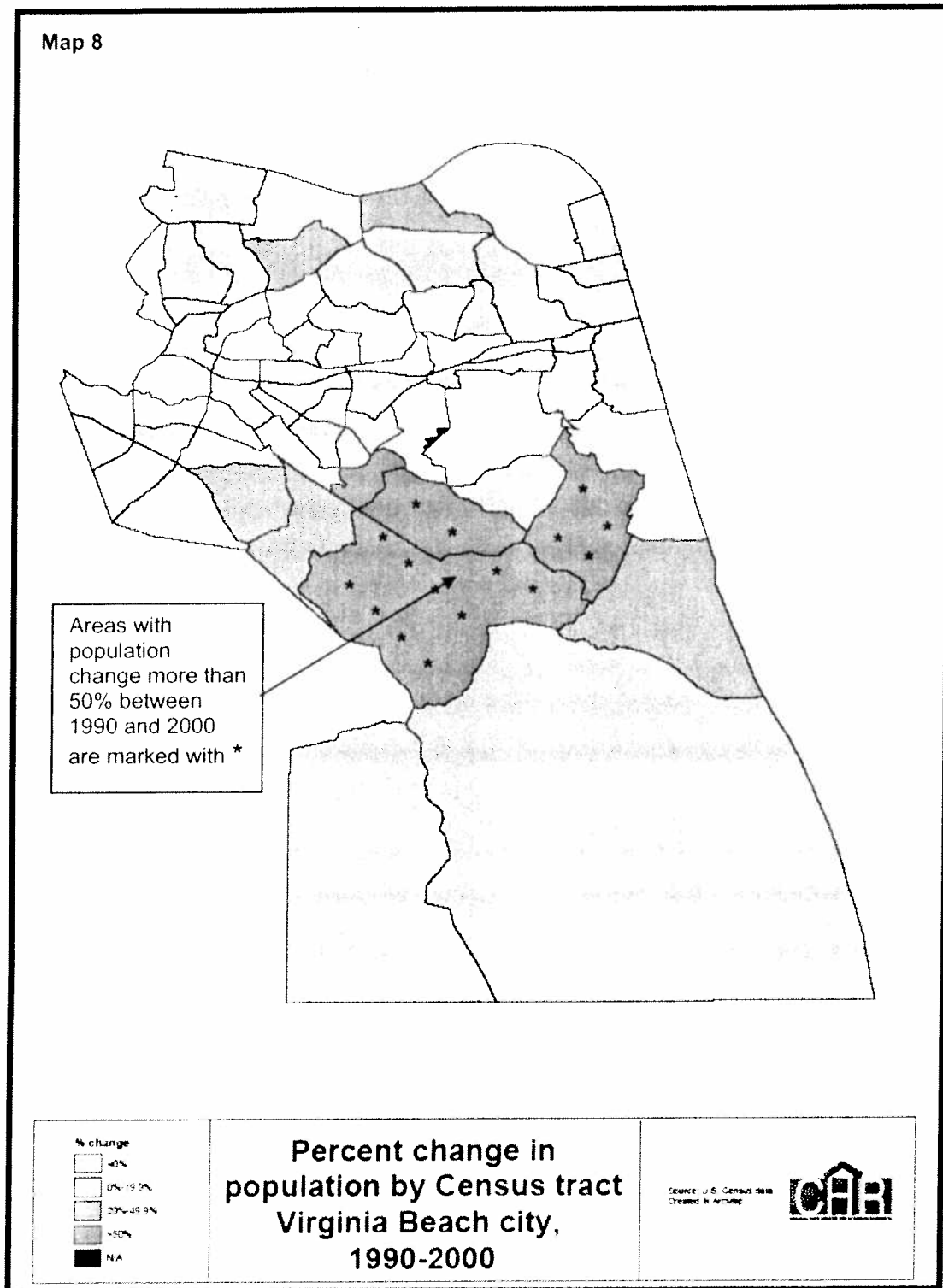
Within the City, population change was uneven between 1990 and 2000. Map 8 shows the growth pattern in Virginia Beach (areas marked with asterisks have grown more than 50% over the last decade). Many areas of the City, especially in the central portion, have lost population over the last decade. Therefore, much of the population change within the City can be associated with migration within the City rather than migration into the City.

The age composition of the population has shifted over the last decade. Within the 1990 Census, the 25-29 age group represented the largest cohort within the City with a steep decline in number of persons within the ages of 34 to 54 (Figure 13). The 2000 Census showed that the age composition within the City was changing with the highest number of persons belonging within the 35-39 age group. However, the number of persons within the 35-39 age group for 2000 do not equal the number of those within the 25-29 age group a decade earlier, as would be expected. As in 1990, there is a steep decline in the number of persons who fall within the ages of 35 to 59. The Census 2003 American Community Survey shows that the 25-29 age group is significantly declining while the 10-14 and 45-64 ages are slowing increasing.

Figure 13: Change in Age Cohorts, 1990-2003



Source: US Census 1990-2000 and ACS 2003



Migration

In 2000, Virginia Beach had a slightly higher mobility rate than for the region as a whole: 54% of the population in the City had recently moved (within a 5 year period prior to the 2000 Census) compared to 52% for the MSA as a whole (Table 36). The majority of recent movers moved from some other location within the City (45%). One third of the recent movers moved from another state (34%). Of these movers, the majority came from the South (43%) or the Northeast (26%). Only 12% of recent movers moved from some other location within the remaining MSA compared to 19% for the MSA as a whole. Only a small percentage of the recent movers located from elsewhere within the state for both the City and the MSA (4% and 5% respectively).

Table 36: Recent Movers 1995-2000, Population 5 Years and Over

	Virginia Beach	MSA
Percent of Recent Movers	54.2	52.0
Percent of Movers from:		
Within Virginia Beach	44.9	39.7
Remainder of MSA	11.7	19.4
Elsewhere in Virginia	4.2	5.3
Other State	33.8	31.0
Outside United States	5.4	4.6

Source: US Census 2000

Virginia Beach's growth is affected by the net migration into and out of the City. The City experienced a net loss of 21,474 people between 1995 and 2000 (Table 37). The majority of migration was between Virginia Beach and the combined areas of Norfolk, Chesapeake, and Portsmouth (Census data were only available for the combined area, see Table 38 for single jurisdiction data) with Virginia Beach experiencing a net loss of about 2,000 people (10% of net migration). Suffolk accounted for the next largest net movement of people out of the City with a net loss of 1,700 people (8% of net migration). Localities within the state accounted for the majority of net losses for the City. Henrico County, Hampton and Newport News accounted for a total net loss of 1,161 people.

Table 37: Locations with 500 or more People Moving to Virginia Beach, 1995-2000

County and State in 1995	Moved to	Moved from	Net Change	% of Net
	Virginia Beach	Virginia Beach		
Total	106,326	127,800	-21,474	100.0%
Norfolk, Chesapeake, Portsmouth, VA	21,844	23,909	-2,065	9.6%
San Diego County, California	3,687	2,089	1,598	-7.4%
Duval County, Florida	2,558	2,618	-60	0.3%
Fairfax City, Fairfax Co., Falls Church, VA	1,787	2,029	-242	1.1%
Honolulu County, Hawaii	1,389	836	553	-2.6%
Escambia County, Florida	1,341	1,234	107	-0.5%
Henrico County, Virginia	1,225	1,719	-494	2.3%
Kings County, New York	1,181	297	884	-4.1%
Newport News city, Virginia	987	1,276	-289	1.3%
Prince William Co., Manassas, Manassas Park, VA	859	890	-31	0.1%
Queens County, New York	789	126	663	-3.1%
Lake County, Illinois	748	523	225	-1.0%
Cook County, Illinois	745	434	311	-1.4%
Bronx County, New York	730	84	646	-3.0%
Philadelphia County, Pennsylvania	720	369	351	-1.6%
Chesterfield County, Virginia	698	868	-170	0.8%
Anne Arundel County, Maryland	697	814	-117	0.5%
Hampton city, Virginia	690	1,068	-378	1.8%
Suffolk city, Virginia	679	2,394	-1,715	8.0%
Charleston County, South Carolina	678	392	286	-1.3%
Orange County, Florida	619	415	204	-0.9%
Nassau County, New York	614	74	540	-2.5%
Montgomery County, Maryland	611	615	-4	0.0%
Arlington Co, Alexandria, VA	601	566	35	-0.2%
Prince George's County, Maryland	594	642	-48	0.2%
Suffolk County, New York	591	203	388	-1.8%
Kitsap County, Washington	570	557	13	-0.1%
New London County, Connecticut	558	661	-103	0.5%
Berkeley County, South Carolina	555	636	-81	0.4%
Shelby County, Tennessee	553	635	-82	0.4%
Los Angeles County, California	536	485	51	-0.2%
New York County, New York	530	210	320	-1.5%
Ventura County, California	514	362	152	-0.7%
Orange County, California	513	156	357	-1.7%

Source: US Census 2000

The City experienced the majority of its net gains from localities outside of the state. San Diego was the leading locality for net gains with nearly 1600 people (7% of net migration) moving to Virginia Beach between 1995 and 2000 (the military moved F-14s to Oceana from San Diego during this period). The New York metropolitan area was also a significant contributor to net gains within the City. Kings County, Queens County and Bronx County, New York were the second, third and fourth localities in net gains to Virginia Beach contributing almost 2,200 people all together. Honolulu County was another top contributor to Virginia Beach.

IRS Migration data from 1995 to 2000 and 2000 to 2003 show similar trends to the Census migration data (see Table 38) and provide greater detail on locations for in-migrants and out-migrants. These data provide the number of federal income tax filers and the number of exemptions, which is an approximation of the number of people (we use the terms “people” or “population” in this discussion and in Table 38 instead of “exemptions”). The Center for Housing Research estimated net migration by matching the IRS data for in-migration and out-migration by locality and aggregated annual estimates from 1995 to 2000 and from 2001 and 2003. From 1995 to 2000, Chesapeake and Suffolk by far were the localities that gained the most net population from Virginia Beach. Virginia Beach experienced a net loss of about 6,300 people to Chesapeake and 2,200 people to Suffolk from 1995-2000. Chesapeake and Suffolk were also the two top net migration locations from Virginia Beach for 2001 to 2003 (approximately 3,300 and 1,900 respectively). For 1995 to 2000, the IRS data show a distinct pattern of losing net population to North Carolina that does not show in the Census migration data. For 2000 to 2003, except for Chesapeake and Suffolk the net out-migration seems to be driven mostly by military moves.

Table 38. Locations with 200 or More People* Moving In or Out of Virginia Beach 1995-2000 and 2000-2003

Location 1995-2000	Number People Gained or Lost	Location 2000-2003	Number People Gained or Lost
Norfolk, VA	4600	Norfolk, VA	2193
San Diego County, CA	1843	Escambia County, FL	555
Lake County, IL	1033	Lake County, IL	513
Berkeley County, SC	824	New London County, CT	338
Escambia County, FL	738	Queens County, NY	316
Duval County, FL	687	San Diego County, CA	289
Queens County, NY	567	Bronx County, NY	278
Kings County, NY	517	Nassau County, NY	262
Charleston County, SC	448	Kings County, NY	256
New London County, CT	445	Monmouth County, NJ	251
Bronx County, NY	430	Onslow County, NC	236
Suffolk County, NY	411	Suffolk County, NY	210
Philadelphia County, PA	367		
Nassau County, NY	344		
Newport County, RI	306		
Onslow County, NC	257		
New York County, NY	256		
Hudson County, NJ	255		
Honolulu County, Hawaii	201		
Hillsborough County, FL	-219	Hillsborough County, FL	-272
Richmond, VA	-220	Clay County, FL	-470
James City County, VA	-234	Kings County, NY	-488
Isle Of Wight County, VA	-235	Currituck County, NC	-625
Tarrant County, TX	-245	Duval County, FL	-888
Harris County, TX	-248	Suffolk, VA	-1890
York County, VA	-257	Chesapeake, VA	-3343
Gwinnett County, GA	-261		
Broward County, FL	-283		
Chesterfield County, VA	-290		
Henrico County, VA	-337		
Clay County, FL	-339		
Fairfax County, VA	-340		
Wake County, NC	-346		
Cobb County, GA	-395		
Mecklenburg County, NC	-426		
Currituck County, NC	-801		
Suffolk, VA	-2229		
Chesapeake, VA	-6322		

*Net number of exemptions claimed

Source: IRS Migration Data

The IRS data clearly show Norfolk as the leading source of net in-migration of people to Virginia Beach for both 1995 to 2000 and 2000 to 2003 (4,600 and 2,193 respectively). As with the Census migration data, significant net gains in the population of Virginia Beach came from San Diego (1,843 people from 1995 to 2000) and for both 1995 to 2000 and 2000 to 2003 the City experienced the majority of its net gains from localities outside of the state. Lake County, IL and Escambia County, FL were the origins of a significant net movement of people to Virginia Beach in both sets of years along with large numbers of people from other Florida counties and counties in New York and North Carolina .

Projected Housing Demand

Projections of housing demand in the City of Virginia Beach for 2010 and 2020 were prepared with the Center's Housing Demand Projection Model. The model projects households by type, age, income and tenure. It provides a useful tool to project the numerical demand for housing and the demographic characteristics of that demand.

The total housing demand in Virginia Beach is projected to grow steadily over the next two decades, although not as rapidly as in the past decade. An increase of 10,379 households are projected for 2000-2010 and 7,810 from 2010 to 2020 compared with 18,889 households from 1990-2000 (Table 39). The projected increase of approximately 10,400 households during the current decade implies the need for construction of at least this number of housing units.

During the current decade, we project an increase of 9,044 owner occupied units and 1,335 renter occupied units, followed by increases between 2010 and 2020 of 7,095 owner occupied units and only 715 renter-occupied units. Throughout both decades, owner demand is anticipated to increase more quickly than renter demand (8.9% and 6.4% compared to 2.5% and 1.3% respectively). These projections do not include the increase in ownership demand prompted by the decrease in mortgage interest rates since the year 2000.

Table 39: Total Households by Tenure, Virginia Beach 2000-2020

	1990	2000	2010	2020	2000 to 2010 % Change	2010 to 2020 % Change
Total	135,566	154,455	164,834	172,644	6.7%	4.7%
Owner	84,723	101,308	110,352	117,447	8.9%	6.4%
Renter	50,843	53,147	54,482	55,197	2.5%	1.3%

Source: US Census 2000 and VCHR Projections

Household formation can be attributed to a variety of factors. Most new household formations occur among persons under the age of 35 as young adults start forming their own households. This age group is also the most mobile in responding to employment opportunities. The City of Virginia Beach housing market has to absorb about 41,000 new households formed by younger people (under 35 years old) over a decade (Table 40). In addition Virginia Beach gains about 4,500 households headed by adults between the ages of 35 to 44 every ten years during the projection period, mainly through net migration. (Changes in consistent population cohorts can be calculated by subtracting a ten-year age group from the succeeding ten-year cohort it ages into over a decade. For instance, the 33,748 householders aged 25-34 in 2000 are projected to become 38,173 householders aged 35-44 in 2010. Similarly, the 32,692 householders aged 25-34 in 2010 increase to 36,028 householders aged 35-44 in 2020.)

Table 40: Total Households by Age, Virginia Beach 2000-2020

	2000	2010	2020	2000 to 2010 % Change	2010 to 2020 % Change
Total	154,455	164,834	172,644	6.7%	4.7%
15-24	9,267	9,246	9,303	-0.2%	0.6%
25-34	33,748	32,692	31,590	-3.1%	-3.4%
35-44	41,185	38,173	36,028	-7.3%	-5.6%
45-54	30,240	36,442	37,622	20.5%	3.2%
55-64	18,319	24,174	30,123	32.0%	24.6%
65-74	12,742	13,597	16,261	6.7%	19.6%
75 +	8,954	10,510	11,717	17.4%	11.5%

Table 41 projects total households for 2010 and 2020 for income categories. We project the extremely low-income segment of households to increase by 7%, thus increasing demand for affordable housing and assistance programs. Table 41 also shows that all other income groups on the spectrum will experience a growth of around 4-7% during both decades. Competition for affordable housing will continue to be intense.

Table 41: Total Household Projections By Income, 2000-2020

	2000	2010	2000- 2010 change	2020	2010- 2020 change
less than 15k	12,082	12,926	7.0%	13,831	7.0%
15k-25k	15,568	16,344	5.0%	17,011	4.1%
25k-35k	21,270	22,265	4.7%	23,036	3.5%
35k-45k	21,358	22,475	5.2%	23,307	3.7%
45k-50k	9,593	10,151	5.8%	10,555	4.0%
50k-75k	37,754	40,165	6.4%	41,825	4.1%
75k-100k	18,245	19,719	8.1%	20,750	5.2%
100k and more	18,585	20,790	11.9%	22,329	7.4%
Total	156,455	166,845	6.6%	174,664	4.7%

Source: Center for Housing Research

Table 42 focuses on the projected households by income and tenure for 2010 and 2020. While higher income households are typically homeowners, the 2000 data and the projection model also indicate a relatively high rate of home ownership among the extremely and very low-income households, a segment of population typically expected to be more into the rental market. In 2000, more than one third of the total extremely low-income households were homeowners and almost half of the total very-low households (30-50% AMFI) were homeowners. Tenure shifts toward homeowners as income increases. At first glance, increases in ownership among households with very limited incomes are difficult to understand, but some of this increase reflects older households who shift from higher to lower income categories as they retire, many of whom continue to be homeowners.

Table 42: Projected Households by HUD Income Category and Tenure, 2000-2020

	2000				
	<30%AMFI	30-50%AMFI	50-80%AMFI	80-120%AMFI	120%+AMFI
Owners	6,127	13,078	15,922	42,811	23,342
Renters	10,681	13,262	10,934	12,881	5,417
Total	16,808	26,340	26,856	55,692	28,759
	2010				
Owners	6661	13893	17186	46090	25,928
Renters	11,096	13,588	11,362	13,326	5,705
Total	17,757	27,481	28,548	59,415	31,633
	2020				
Owners	7266	14688	18169	48499	27,769
Renters	11,499	13,782	11,520	13,537	5,915
Total	18,765	28,470	29,689	62,036	33,684

Source: Center for Housing Research

Table 43 shows the projections of households by tenure status and household composition. The married-couple family type dominates owner-occupied household projections, although the fastest growing market segment is for non-family households. This could indicate a greater need for smaller housing units and higher densities than for single-family detached housing.

Table 43: Household Projections by Type, Virginia Beach 2000-2020

	2000	2000-2010		2010-2020	
		2010	change	2020	change
Total Households					
Married Couple	85,982	92,107	7.1%	96,609	4.9%
Other Family	24,971	26,095	4.5%	26,737	2.5%
Non-Family	43,502	46,632	7.2%	49,298	5.7%
Owner-Occupied					
Married Couple	66,697	72,580	8.8%	77,042	6.2%
Other Family	12,954	13,901	7.3%	14,559	4.7%
Non-Family	21,657	23,871	10.2%	25,847	8.3%
Renter-Occupied					
Married Couple	19,285	19,527	1.3%	19,567	0.2%
Other Family	12,017	12,194	1.5%	12,179	-0.1%
Non-Family	21,845	22,760	4.2%	23,451	3.0%

Source: Center for Housing Research

Tables 44, 45, 46 provide a detailed projection of households (total, owner-occupied and renters) by income, household type and age of householder. We project 12,369 homeowners under the age of 35 by 2010, and 11,988 by 2020. Most of these will be

first-time homebuyers, including a high proportion of married-couple families with fairly high incomes.

Table 44: Total Household Projections by Income, Type, and Age

	<15k (30% AMFI)	15-25K (50% AMFI)	25-35K (80% AMFI)	35-45K (100% AMFI)	45-50K (120% AMFI)	50-75K	75- 100K	>100K	Total
2010									
Married Couples									
<35 years	730	1202	3312	3495	1779	6167	2384	10880	29949
35-54 years	928	1630	2640	4588	2570	14449	8948	13789	49542
55 to 64 years	227	399	1004	1753	866	3878	2713	6109	16949
65+	573	815	1104	1265	709	3209	1781	1944	11400
Other Family									
<35 years	1353	2221	1699	1074	291	426	165	740	7969
35-54 years	1023	1900	2591	2512	1006	3101	798	843	13774
55 to 64 years	94	268	290	358	185	752	360	529	2836
65+	201	304	343	356	172	693	291	277	2637
Non-Family									
15-64	3360	5609	7891	6337	2311	6788	2020	2532	36848
65+	4436	1996	1390	738	263	702	258	287	10070
Total	12926	16344	22265	22475	10151	40165	19719	37930	181975
2020									
Married Couples									
<35 years	719	1181	3230	3400	1728	5980	2309	10847	29394
35-54 years	916	1608	2584	4490	2531	14217	8843	14819	50008
55 to 64 years	283	497	1251	2184	1079	4832	3381	7469	20976
65+	664	944	1287	1479	829	3756	2091	2279	13329
Other Family									
<35 years	1326	2169	1657	1046	282	415	161	735	7791
35-54 years	1001	1841	2529	2463	990	3078	801	904	13607
55 to 64 years	117	334	362	446	231	936	449	631	3506
65+	234	354	398	415	200	803	336	318	3058
Non-Family									
15-64	3465	5785	8138	6535	2383	7001	2083	2646	38036
65+	5106	2298	1600	849	303	809	297	330	11592
Total	13831	17011	23036	23307	10555	41825	20750	40978	191293

Source: Center for Housing Research

Table 45: Owner-Occupied Household Projections by Income, Type, and Age

	<15k (30% AMFI)	15-25K (50% AMFI)	25-35K (80% AMFI)	35-45K (100% AMFI)	45-50K (120% AMFI)	50- 75K	75- 100K	>100K	Total
2010									
Married Couples									
<35 years	23	207	952	1413	904	3891	1770	1136	10296
35-54 years	278	884	1737	2911	1894	12532	8442	9379	38057
55 to 64 years	98	262	791	1526	769	3736	2613	3931	13726
65+	386	678	1011	1157	664	3131	1681	1766	10474
Other Family									
<35 years	0	432	622	440	146	237	98	98	2073
35-54 years	343	827	1302	1315	602	2277	628	453	7747
55 to 64 years	45	149	189	276	132	617	307	225	1940
65+	120	254	266	246	127	631	265	230	2139
Non-Family									
15-64	1056	2172	3621	2989	1075	3514	1051	1273	16751
65+	2366	1261	1019	577	227	630	234	239	6553
Total	4713	7125	11509	12851	6541	31196	17091	18732	109758
2020									
Married Couples									
<35 years	23	204	920	1369	875	3768	1714	1101	9974
35-54 years	279	879	1698	2850	1875	12367	8344	9383	37675
55 to 64 years	122	326	986	1901	959	4655	3256	4899	17104
65+	447	785	1181	1354	777	3666	1976	2073	12259
Other Family									
<35 years	0	420	604	427	141	230	95	96	2013
35-54 years	334	804	1273	1289	592	2263	633	455	7643
55 to 64 years	56	185	236	344	165	769	383	281	2419
65+	141	297	308	286	148	731	307	264	2482
Non-Family									
15-64	1089	2240	3734	3083	1109	3624	1084	1313	17276
65+	2724	1451	1173	664	262	725	269	275	7543
Total	5214	7593	12113	13569	6902	32799	18061	20139	116390

Source: Center for Housing Research

Table 46: Renter-Occupied Household Projections by Income, Type, and Age

	<15k (30% AMFI)	15-25K (50% AMFI)	25-35K (80% AMFI)	35-45K (100% AMFI)	45-50K (120% AMFI)	50- 75K	75- 100K	>100K	Total
2010									
Married Couples									
<35 years	708	995	2361	2082	875	2276	614	9744	19655
35-54 years	650	746	903	1676	677	1917	506	4410	11485
55 to 64 years	130	137	213	227	96	142	100	2177	3222
65+	187	137	93	108	45	79	100	178	927
Other Family									
<35 years	1353	1789	1077	634	145	189	67	642	5896
35-54 years	680	1073	1290	1197	404	823	170	390	6027
55 to 64 years	49	119	101	81	53	135	53	304	895
65+	81	50	77	109	44	62	25	47	495
Non-Family									
15-64	2305	3437	4271	3347	1235	3274	969	1259	20097
65+	2070	735	370	161	36	72	24	48	3516
Total	8212	9219	10756	9623	3611	8969	2628	19199	72217
2020									
Married Couples									
<35 years	696	977	2310	2031	853	2212	595	9746	19420
35-54 years	637	729	885	1640	655	1850	499	5436	12331
55 to 64 years	161	171	266	283	120	177	124	2570	3872
65+	217	159	105	125	53	89	116	206	1070
Other Family									
<35 years	1326	1748	1053	618	140	185	66	640	5776
35-54 years	666	1036	1256	1174	398	814	168	449	5961
55 to 64 years	61	149	126	101	66	168	66	351	1088
65+	93	57	90	128	52	71	29	53	573
Non-Family									
15-64	2377	3545	4404	3452	1274	3377	999	1333	20761
65+	2383	846	426	185	41	83	28	55	4047
Total	8617	9417	10923	9739	3652	9026	2689	20839	74902

Source: Center for Housing Research

Appendix I: Glossary of Terms and Acronyms

ACS	American Community Survey – An annual household survey conducted by the Census Bureau in 2001, 2002 and 2003.
Affordability	Affordability is defined as the relationship between a household’s ability to pay, and the cost <i>to them</i> of the housing they occupy, or seek to occupy. In Virginia, the state has defined affordability as costs that are less than 30% of household income.
AHS	American Housing Survey - A source of information for frequent and up-to-date information on the Nation's housing supply. Collected for the Department of Housing and Urban Development by the Bureau of the Census.
AMFI	Area Median Family Income, the median income for families within a geographic area. Estimated by HUD and used as a reference for income eligibility for housing programs.
Average Household Income	Total aggregate income divided by the number of households. The means for households, families, and unrelated individuals are based on all households, families, and unrelated individuals, respectively. The means (averages) for people are based on people 15 years old and over with income.
Block Group	A subdivision of a census tract. A block group consists of approximately three individual blocks which are equivalent to city blocks.
Census Tract	A small area of approximately 4,000 people used by the U.S. Census Bureau for reporting decennial census results. Census tracts are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time they are established.
CHAS Data	Comprehensive Housing Affordability Strategy (CHAS) data are special tabulations of census data used by HOME and CDBG jurisdictions to prepare Consolidated Plans and analyze housing needs.

CoC	Continuum of Care - A program to help the homeless Americans get housing, job training, child care, and other services. The Continuum of Care, which is the centerpiece of the federal policy on homelessness, stresses permanent solutions to homelessness through comprehensive and collaborative community planning.
Cost Burden	The fraction of a household's total gross income spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.
ELI	Extremely Low Income - Income that does not exceed 30 percent of area median family income adjusted for household size.
Family	A family is a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.
Gross Rent	Rent plus utilities.
HH	A household (HH) consists of all the people who occupy a housing unit. A house, an apartment or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live and eat with any other persons in the structure and there is direct access from the outside or through a common hall.
HMDA	Home Mortgage Disclosure Act - This law (P.L. 101-73), as implemented by the Federal Reserve Board's Regulation C, requires the reporting of census tract number along with other information in order to identify areas with possible discrimination in providing mortgages.
Householder	The householder refers to the person (or one of the people) in whose name the housing unit is owned or rented (maintained) or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees. If the house is owned or rented jointly by a married couple, the householder may be either the husband or the wife.

LI	Low Income - Income that does not exceed 80 percent of area median income.
LIHTC	Low Income Housing Tax Credits - A way of obtaining financing to develop low-income housing. Government programs provide dollar-for-dollar credit toward taxes owed by the housing owner. These tax credits can be sold, or used to back up bonds that are sold, to obtain financing to develop the housing.
Median income	The amount which divides the income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The medians for households, families, and unrelated individuals are based on all households, families, and unrelated individuals, respectively. The medians for people are based on people 15 years old and over with income.
MSA	Metropolitan Statistical Area - An area defined by the Office of Management and Budget as a Federal statistical standard. An area qualifies for recognition as an MSA if it includes a city of at least 50,000 population or an urbanized area of at least 50,000 with a total metropolitan area population of at least 100,000.
Non-Family	A person living alone or two or more people who are unrelated to each other and share a housing unit.
Other Family	Families headed by a householder with no spouse present.
Section 8	Federal Housing Assistance Payments Program, authorized by the Housing and Community Development Act of 1974 providing housing choice vouchers allowing very low-income families to choose and lease or purchase safe, decent, and affordable privately-owned rental housing.
VLI	Very Low Income - Income that does not exceed 50 percent of area median income.
Worst case housing needs	The number (percent) of households with income of less than 50% AMFI that have incomplete facilities, or 1.51+ people/room, or cost burden of 50% of monthly income or more, or zero income.

Source: HUD and US Census Definitions

APPENDIX II: City Comparisons

At the request of the City of Virginia Beach, we put together a set of selected comparison charts and tables between Virginia Beach and 5 other cities in Virginia and across the nation. These cities are:

- Chesapeake, Virginia
- Suffolk, Virginia
- Jacksonville, Florida
- Atlanta, Georgia
- Charlotte, North Carolina.

These cities were chosen because they were often sited as Virginia Beach's top competition for economic development projects. The comparisons are based on the US Census 2000 which provides data for all these cities (2003 ACS does not cover all of these cities).

I. Total Household by Type

Table 47 compares the total households by type between the six cities. Virginia Beach had a relatively high percentage of family households (72.5%) with the highest percentage of married couple families among all the other cities in 2000. Virginia Beach also had the highest percentage of non-family households doubling up (26.1%).

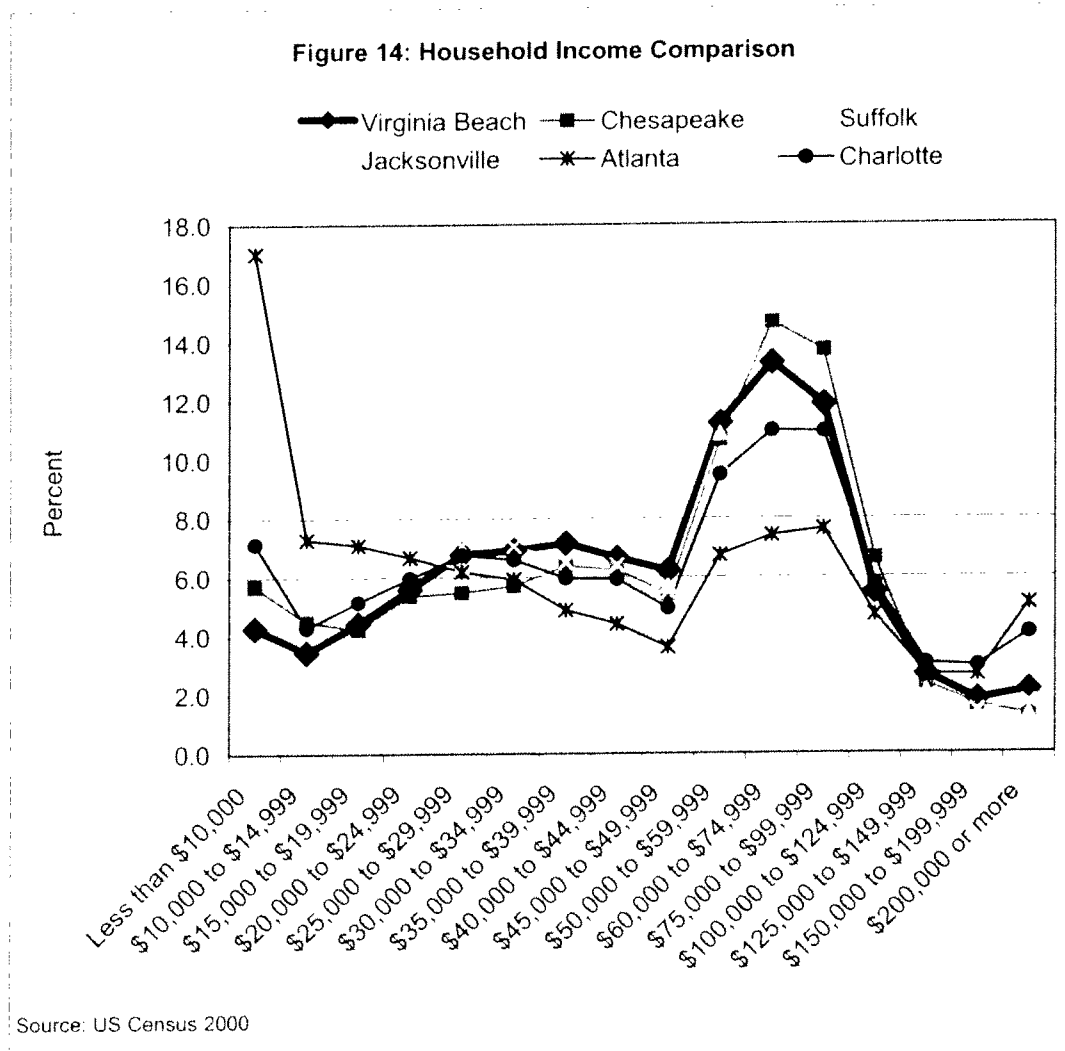
Table 47: Household by Type for Selected Cities, 2000

	Virginia Beach	Chesapeake	Suffolk	Jacksonville	Atlanta	Charlotte
Total Households	154,635	69,835	23,290	284,661	168,341	215,803
Family	72.5%	77.7%	76.3%	67.4%	50.2%	62.1%
Married-couple family	78.6%	77.7%	72.4%	70.7%	50.0%	72.0%
Male householder	5.2%	5.0%	5.6%	6.5%	8.5%	6.8%
Female householder	16.2%	17.4%	22.0%	22.9%	41.5%	21.2%
Non-family	27.5%	22.3%	23.7%	32.6%	49.8%	37.9%
Living alone	73.9%	80.6%	84.7%	80.3%	77.1%	77.6%
Not living alone	26.1%	19.4%	15.3%	19.7%	22.9%	22.4%

Source: US Census 2000

2. Household Income

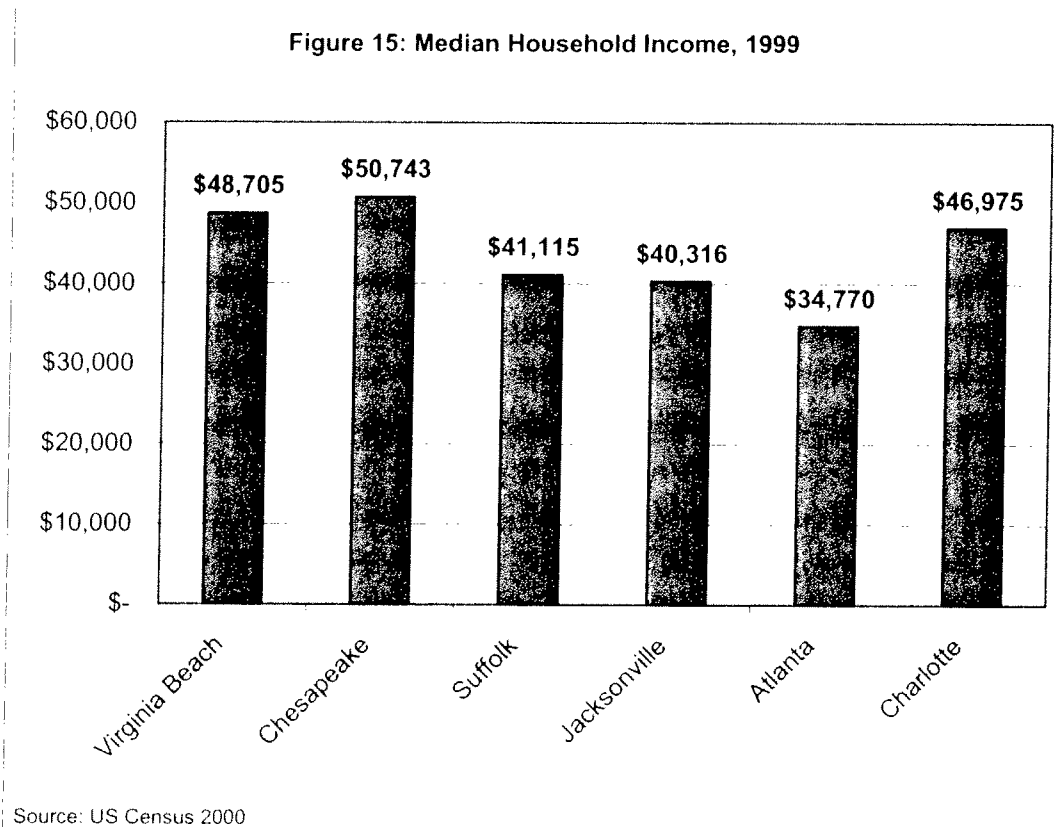
Figure 14 shows that all cities had almost the same distribution pattern for household income. However, Virginia Beach had a smaller percent of households with incomes less than \$15,000, and the second highest percent of households with incomes of \$50,000 plus in 2000.



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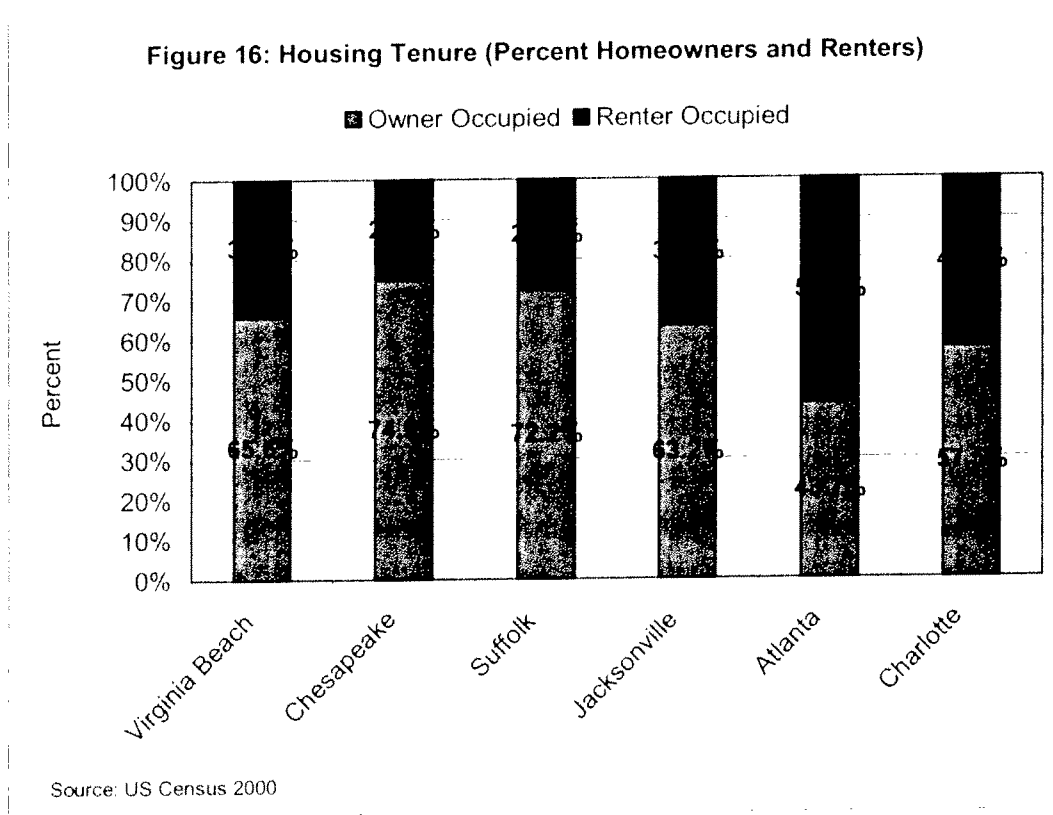
3. Median Household Income

Figure 15 shows that only Chesapeake had a higher median household income in 1999 than Virginia Beach among the selected cities.



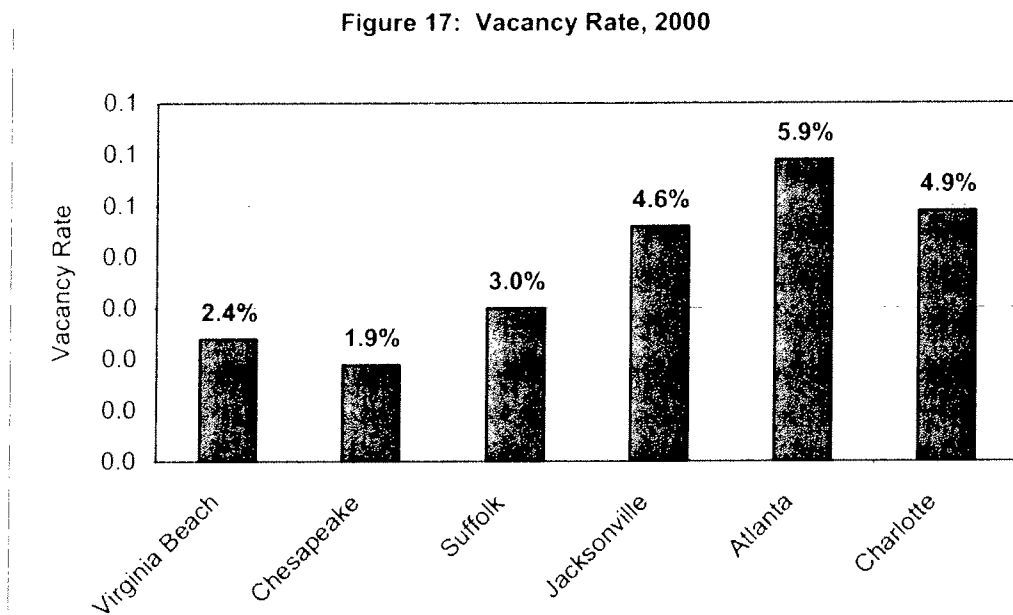
4. Housing Tenure

Figure 16 shows that Virginia Beach had a higher ownership rate in 2000 than Jacksonville, Atlanta, and Charlotte but lower rate than Chesapeake and Suffolk.



5. Vacancy Rates

Figure 17 shows that Virginia Beach had a significantly lower vacancy rate than the comparison cities of Jacksonville, Atlanta, and Charlotte and was second lowest to Chesapeake in 2000.

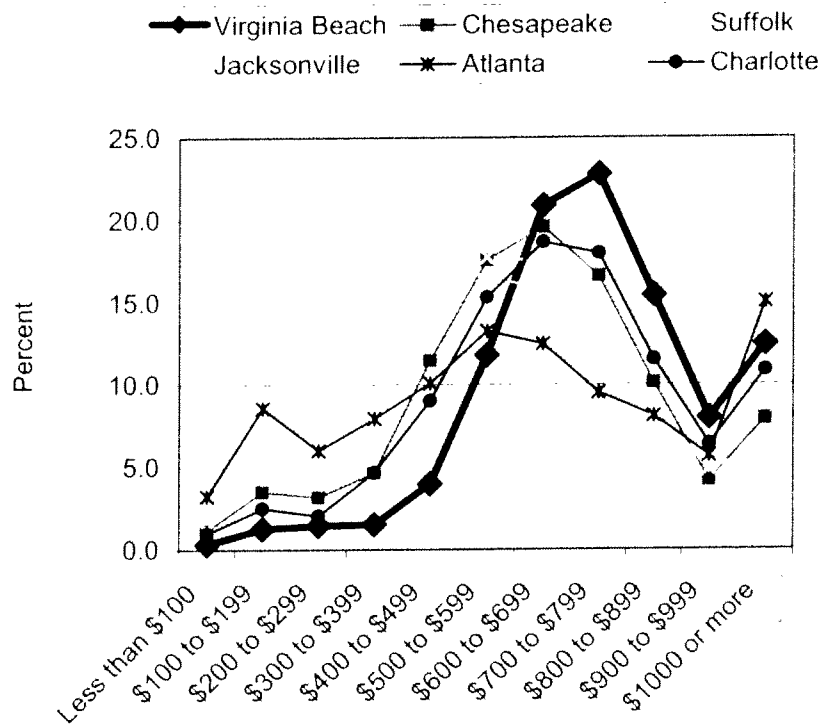


Source: US Census 2000

6. Gross Rent

Figure 18 shows that Virginia Beach had the lowest percentage of rents less than \$600, and the highest percentage of rents more than \$700 among the selected cities in 2000.

Figure 18: Gross Rent

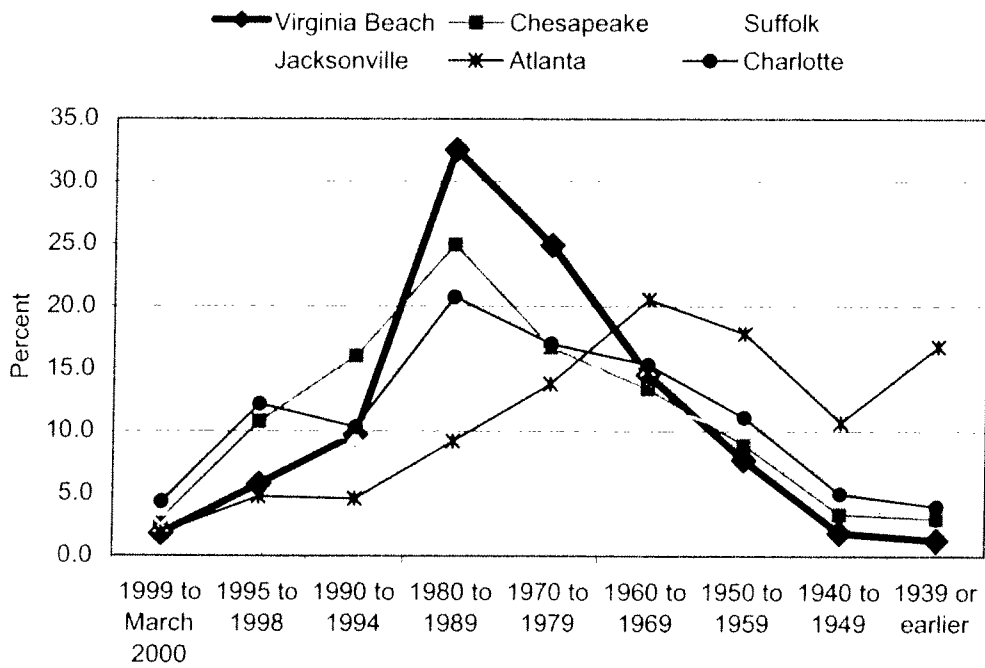


Source: US Census 2000

7. Year Structure Built

Figure 19 shows that in 2000 Virginia Beach had the lowest percentage of pre-1960 housing units compared to the selected cities, with the majority of its stock built in the 1970s-1990s.

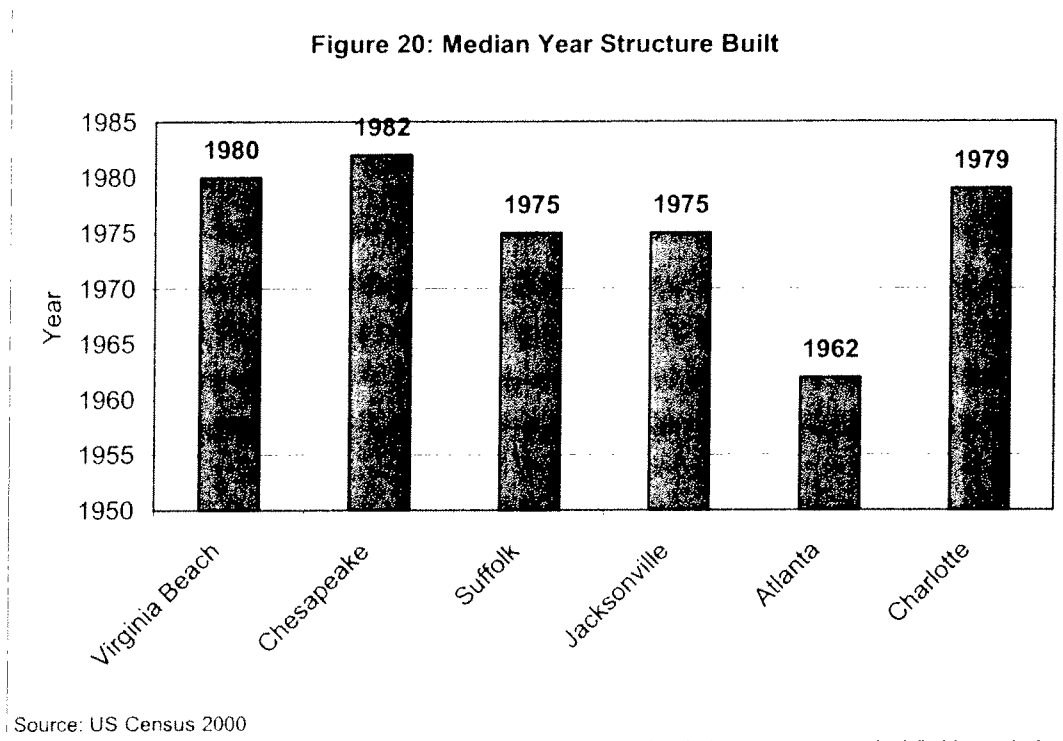
Figure 19: Year Structure Built



Source: US Census 2000

8. Median Year Structure Built

Figure 20 shows that in 2000 the median year structure built for Virginia Beach was second most recent to Chesapeake.



**SUPPORT FILE # 7
CITY OF VIRGINIA BEACH
2009 ANNUAL AGENCY PLAN:**

**CURRENT ADMINISTRATIVE PLAN
DETAILING POLICIES AND PROCEDURES
PART I**

ADOPTED 02/24/2009

ADMINISTRATIVE PLAN

FOR THE

HOUSING CHOICE VOUCHER

PROGRAM



**Department of Housing and Neighborhood
Preservation**
2424 Courthouse Drive, Bldg 18-A
Virginia Beach, VA 23456

Approved by the City Council: February 24, 2009

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AN ORDINANCE TO ADOPT THE DEPARTMENT OF HOUSING AND NEIGHBORHOOD PRESERVATION'S HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN AND TO AUTHORIZE THE CITY MANAGER TO SUBMIT THE PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the Department of Housing and Neighborhood Preservation ("DHNP") has operated the federally-funded Housing Choice Voucher Program ("HCV Program"), formerly known as the Section 8 program, for many years; and

WHEREAS, the HCV Program is operated according to an administrative plan developed by DHNP ("Plan") that details the various policies and procedures that are used to operate the HCV Program; and

WHEREAS, DHNP is requesting that Council approve the Plan because 1) the U.S. Department of Housing and Urban Development ("HUD") requires the Plan to be authorized and adopted by City Council; and 2) DHNP has recently completed an extensive review and modification of the Plan; and

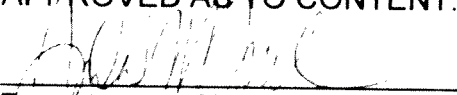
WHEREAS, in order to satisfy HUD requirements, and to ratify the revised Plan, DHNP is requesting that the Plan be adopted by Council and that the City Manager be authorized to submit the Plan to HUD; and

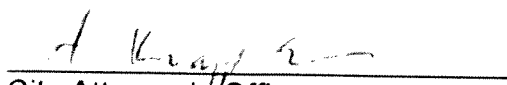
WHEREAS, an executive summary of the Plan is attached hereto, and a copy of the full Plan is on file with the City Clerk.


BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

DHNP's Plan for the administration of the Housing Choice Voucher Program is hereby ratified and adopted by Council of the City of Virginia Beach, and the City Manager is hereby authorized to submit a copy of the Plan to the U.S. Department of Housing and Urban Development.

Adopted by the Council of the City of Virginia Beach, Virginia, on the 24th day of February, 2009.

APPROVED AS TO CONTENT:

Department of Housing and Neighborhood Preservation
CA10977
R-3
February 17, 2009

APPROVED AS TO LEGAL SUFFICIENCY:

City Attorney's Office

CERTIFIED TO BE A TRUE COPY OF AN ORDINANCE ADOPTED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA ON February 24, 2009

Ruth Hodges Fraser, MMC City Clerk

EXECUTIVE SUMMARY

OVERVIEW

The Department of Housing & Neighborhood Preservation consists of five distinct divisions.

1. Administrative Services Division: The staff in this division handle all internal City matters, including human resources, finance, contracts, compliance, information technology, and office management.
2. Code Enforcement Division: This division handles all Code Enforcement activities, including inspecting properties for housing violations, junk, overgrown grass, waste management violations, inoperable vehicles, and the Certificate of Compliance rental inspection program. In addition, through nuisance abatement activities, this division takes action to eliminate violations including graffiti.
3. Strategy, Policy & Resource Development Division: This division coordinates strategic and program planning, resource development, grant acquisitions, policy development, research, analysis, and media and communication functions and initiatives.
4. Housing Development Division: This division provides all services related to home improvements including rehabilitation loans and grants of various types. In addition it is developing the workforce housing program, and coordinating the provision of programs and services to address homelessness. Additionally, the staff is responsible for receiving and reviewing requests for the funding or approval of projects to maintain or expand housing opportunities.
5. Rental Housing Division: This division provides the delivery of housing programs including; Federal rental assistance through the Section 8 Housing Choice Voucher program, Security Deposit, Optional Relocation and Housing Counseling programs.

The principal staff member of the Rental Housing Division is the Rental Housing Administrator, who works for the city, and reports directly to the Department Director. The Rental Housing Administrator is directly responsible for carrying out the policies established by the Director, City Manager and City Council and is delegated the responsibility for hiring, training and supervising the remainder of the division staff in order to manage the day-to-day operations, and to ensure compliance with federal and state laws and directives for the programs managed.. In addition, the Rental Housing Administrator's duties include budgeting and financial planning for the division.

HCV PROGRAM AND ADMINISTRATIVE PLAN

The City of Virginia Beach Department of Housing & Neighborhood Preservation (VBDHNP) operates the Housing Choice Voucher Program (HCV) within the Rental Housing Division. The VBDHNP receives its funding for the HCV program from the Department of Housing and Urban Development. The VBDHNP is not a federal department or agency. The Department of Housing & Neighborhood Preservation is a department within the City of Virginia Beach. The department operates housing programs for low-income families. The VBDHNP enters into an Annual Contributions Contract with HUD to administer the program requirements on behalf of HUD. The VBDHNP must ensure compliance with federal laws, regulations and notices and must establish policy and procedures to clarify federal requirements and to ensure consistency in program operation.

Pursuant to 24 CFR 982.54 the VBDHNP must adopt a written administrative plan that establishes local policies for administration of the (HCV) program in accordance with HUD requirements. The administrative plan and any revisions of the plan must be formally adopted by the City Council. The administrative plan states VBDHNP policy on matters for which the VBDHNP has discretion to establish local policies. The plan must be in accordance with HUD regulations and requirements.

CONTENTS OF THE PLAN

Federal regulations at 24CFR 982.54 further stipulate the VBDHNP administrative plan must cover VBDHNP policies on the following subjects:

- Selection and admission of applicants from the DHNP waiting list, including any DHNP admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the DHNP waiting list (Chapter 4)
- Issuing or denying vouchers, including DHNP policy governing the voucher term and any extensions or suspensions of the voucher term. 'Suspension' means stopping the clock on the term of a family's voucher after the family submits a request for approval of the tenancy. If the DHNP decides to allow extensions or suspensions of the voucher term, the DHNP administrative plan must describe how the DHNP determines whether to grant extensions or suspensions, and how the DHNP determines the length of any extension or suspension (Chapter 8);
- Any special rules for use of available funds when HUD provides funding to the DHNP for a special purpose (e.g., desegregation), including funding for specified families or a specified category of families (Chapter Chapter 4);

- Occupancy policies, including definition of what group of persons may qualify as a 'family', definition of when a family is considered to be 'continuously assisted'; standards for denying admission or terminating assistance based on criminal activity or alcohol abuse in accordance with 982.553 (Chapters 5 and 15);
- Encouraging participation by owners of suitable units located outside areas of low income or minority concentration (Chapter 1);
- Assisting a family that claims that illegal discrimination has prevented the family from leasing a suitable unit (Chapter 2);
- Providing information about a family to prospective owners (Chapters 3 and 9);
- Disapproval of owners (Chapter 13);
- Subsidy standards (Chapter 5);
- Family absence from the dwelling unit (Chapter 12) ;
- How to determine who remains in the program if a family breaks up (Chapter 12);
- Informal review procedures for applicants (Chapter 18);
- Informal hearing procedures for participants (Chapter 18);
- The process for establishing and revising voucher payment standards (Chapter 8);
- The method of determining that rent to owner is a reasonable rent (initially and during the term of a HAP contract) (Chapter 11);
- Special policies concerning special housing types in the program (e.g., use of shared housing) (Chapter 4);
- Policies concerning payment by a family to the DHNP of amounts the family owes the DHNP (Chapter 17);
- Interim re-determinations of family income and composition (Chapter 12);
- Restrictions, if any, on the number of moves by a participant family (Chapter 13);
- Approval by the board of commissioners or other authorized officials to charge the administrative fee reserve (Chapter 1);
- Procedural guidelines and performance standards for conducting required housing quality standards inspections (Chapter 10); and
- DHNP screening of applicants for family behavior or suitability for tenancy (Chapter 2)

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Chapter 1

STATEMENT OF POLICIES AND OBJECTIVES

INTRODUCTION

The Housing Choice Voucher (HCV) Program, formerly known as the Section 8 Program, was enacted as part of the Housing and Community Development Act of 1974, which re-codified the U.S. Housing Act of 1937. The Act has been amended from time to time, and its requirements, as they apply to the HCV Assistance Program, is described in and implemented throughout this Administrative Plan. The HCV assistance programs are federally funded and administered for the Virginia by the Department of Housing and Neighborhood Preservation (VBDHNP) through its Rental Housing Division.

Administration of the HCV Program and the functions and responsibilities of the VBDHNP's staff shall be in compliance with its personnel policy and the Department of Housing and Urban Development's (HUD) HCV Regulations as well as all Federal, State and local Fair Housing Laws and Regulations.

Jurisdiction

The jurisdiction of the VBDHNP is the City of Virginia Beach, Virginia.

A. HOUSING AGENCY MISSION STATEMENT

The VBDHNP is committed to achieving excellence in providing affordable quality housing, revitalizing communities, and promoting upward mobility and self-sufficiency through alliances with public and private sector groups.

1) ETHICS STATEMENT

High ethical standards are regarded as a hallmark of excellence in public service. The Code of Ethics, adopted in 1968, provided a framework for our standards of conduct.

Federal and state laws and the City Code establish many of these standards of conduct. In addition, we have policies, directives and standard operating procedures help set boundaries for our behavior.

A Code of Ethics establishes a set of principles that guide staff conduct in relations with citizens, customers, vendors and contractors, the community and other members. These principles should preserve the integrity of these relationships and assist in maintaining the highest level of public confidence in the impartial and principled operation of government. Our Code of Ethics can help by increasing awareness of key ethical issues, serving as a guide in decision-making; encouraging members to seek advice and clarify where to go for assistance; addressing misconduct and related concerns; and building trust within the City organization and the community.

The VBDHNP also has adopted Professional Standards that all Department staff must practice and honor.

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STATEMENT OF POLICIES AND OBJECTIVES

The full Code of Ethics documents may be found in the forms Appendix of this Administrative Plan.

B. PURPOSE OF THE ADMINISTRATIVE PLAN [24 CFR 982.54]

The purpose of the Administrative Plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in the Agency Plan. The VBDHNP 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 VBDHNP will revise this Administrative Plan as needed to comply with changes in HUD regulations. The original Plan and any changes must be approved by the City Council of the agency, the pertinent sections included in the Agency Plan, and a copy provided to HUD.

This Administrative Plan is a supporting document to the VBDHNP Agency Plan, and is available for public review as required by CFR 24 Part 903.

Applicable regulations include:

24 CFR Part 5: General Program Requirements

24 CFR Part 8: Nondiscrimination

24 CFR Part 982: HCV Tenant-Based Assistance: Housing Choice Voucher Program

24 CFR Part 983: HCV Project-Based Assistance: Housing Choice Voucher Program

Local rules that are made part of this Plan are intended to promote local housing objectives consistent with the intent of the federal housing legislation.

C. ADMINISTRATIVE FEE RESERVE [24 CFR 982.54(d)(21)]

Expenditures from the Administrative Reserve (Operating Reserve) for other housing purposes shall not exceed \$25,000 per occurrence nor more than \$100,000 in the aggregate for each fiscal year without the prior approval of the City Council.

D. RULES AND REGULATIONS [24 CFR 982.52]

This Administrative Plan is set forth to define the VBDHNP's local policies for operation of the housing programs in the context of Federal laws and Regulations. All issues related to the HCV program not addressed in this document are governed by such Federal regulations, HUD Memos, Notices and guidelines, or other applicable law. The policies in this Administrative Plan have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding.

E. TERMINOLOGY

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STATEMENT OF POLICIES AND OBJECTIVES

The VBDHNP's is referred to as "VBDHNP" 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 landlords.

"Landlord" and "owner" are used interchangeably.

"Disability" is used where "handicap" was formerly used.

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

"HQS" means the Housing Quality Standards required by HUD regulations

"Failure to Provide" refers to all requirements in the first Family Obligation. See "Denial or Termination of Assistance," Chapter 15.

See Glossary for other terminology.

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

It is the policy of the VBDHNP 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 VBDHNP shall not deny any family or individual the equal opportunity to apply for or receive assistance under the HCV program on the basis of race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, handicap or disability, or sexual orientation.

To further its commitment to full compliance with applicable Civil Rights laws, the VBDHNP will provide Federal/State/local information to Voucher holders regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act. Such information will be made available during the family briefing session, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made a part of the Voucher holder's briefing packet and available upon request.

In September 2008, the VBDHNP entered into a Voluntary Compliance Agreement with the Office of Fair Housing.

All Housing Agency staff will be required to attend fair housing training and informed of the importance of affirmatively furthering fair housing and providing equal opportunity to all families, including providing reasonable accommodations to persons with disabilities, as a part of the overall commitment to quality customer service. Landlords who participate in our Voucher program are required to receive and certify Fair Housing Training annually. Fair Housing posters are posted throughout the VBDHNP office's, including in the lobby and interview rooms and the equal opportunity logo will be used on all outreach materials. Staff will attend local fair

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housing update training sponsored by HUD and other local organization to keep current with new developments.

The entire VCA document may be reviewed in the documents section of this Administrative Plan.

G. AFFIRMATIVELY FURTHERING FAIR HOUSING [24CFR 903.2 (d) (2) (i)(ii)]

HUD regulations provide that VBDHNP should take affirmative steps to overcome the effects of conditions which resulted in limiting participation of persons because of their race, national origin or other prohibited basis. In doing so the VBDHNP has initiated affirmative marketing efforts with community based agencies, which include a greater emphasis on contacting churches, social services, and minority organizations. We will initiate mailings, in person engagements, and demonstrate our efforts to increase diversity among our low income ethnicity population.

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 VBDHNP's facilities are inaccessible to or unusable by persons with disabilities. Posters and housing information are displayed in locations throughout VBDHNP's office in such a manner as to be easily readable from a wheelchair.

The VBDHNP office(s) are accessible to persons with disabilities. Accessibility for the hearing impaired is provided dialing the TDD phone number: 757-385-5794.

H. REASONABLE ACCOMMODATIONS POLICY [24 CFR 100.202]

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

A participant with a disability must first ask for a specific change to a policy or practice as an accommodation of their disability before VBDHNP will treat a person differently than anyone else. The VBDHNP's policies and practices will be 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. The availability of requesting an accommodation will be made known by including notices on VBDHNP's forms and letters. 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 and is applicable to all situations described in this Administrative Plan including when a family initiates contact with VBDHNP's, when VBDHNP's initiates contact with a family including when a family applies, and when VBDHNP'S schedules or reschedules appointments of any kind.

To be eligible to request a reasonable accommodation, the requester must first certify (if apparent) or verify (if not apparent) that they are a person with a disability under the following ADA definition:

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STATEMENT OF POLICIES AND OBJECTIVES

- A physical or mental impairment that substantially limits one or more of the major life activities of an individual;
- A record of such impairment; or
- Being regarded as having such an impairment

Rehabilitated former drug users and alcoholics are covered under the ADA. However, a current drug user is not covered. In accordance with 5.403, individuals are not considered disabled for eligibility purposes solely on the basis of any drug or alcohol dependence. Individuals whose drug or alcohol addiction is a material factor to their disability are excluded from the definition. Individuals are considered disabled if disabling mental and physical limitations would persist if drug or alcohol abuse discontinued.

Once the person's status as a qualified person with a disability is confirmed, VBDHNP will require that a professional third party competent to make the assessment provides written verification that the person needs the specific accommodation due to their disability and the change is required for them to have equal access to the housing program.

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

An undue administrative burden is one that requires a fundamental alteration of the essential functions of VBDHNP (i.e., waiving a family obligation).

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 VBDHNP.

The VBDHNP will provide a written decision to the person requesting the accommodation within five (5) working days. If a person is denied the accommodation or feels that the alternative suggestions are inadequate, they may request an informal hearing to review VBDHNP's decision.

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

VBDHNP'S mailings will be made available in an accessible format upon request, as a reasonable accommodation.

Definition of Disability

Persons are considered disabled if:

- They have a disability as defined in 42 U.S.C. 42
- They are determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:
 - ❖ is expected to be of long-continued and indefinite duration;
 - ❖ substantially impedes their ability to live independently; and

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- ❖ is of such a nature that the ability to live independently could be improved by more suitable housing conditions
- They are functionally disabled as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act [42 U.S.C. 6001(7)] “severe chronic disability that:
 - ❖ is attributable to a mental or physical impairment or combination of a mental and physical impairments
 - ❖ is manifested before the person attains age 22
 - ❖ is likely to continue indefinitely
 - ❖ results in substantial functional limitation in three or more of the following areas of major life activity: self care, receptive and responsive language, learning, mobility, self direction, capacity for independent living, and economic self sufficiency.
- reflects the person’s need for a combination and sequence of special interdisciplinary or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated.
- Persons who have acquired immunodeficiency syndrome (AIDS) or any conditions arising from the AIDS virus are not excluded from this definition.
- For purposes of qualifying for low-income housing, the definition does not include a disability based solely on any drug or alcohol dependence.

Applying for Admission

All persons who wish to apply for any of VBDHNP’s programs must submit a pre-application in written format, as indicated in our public notice. Applications will be made available in an accessible format upon request from a person with a disability.

To provide specific accommodation to persons with disabilities, upon request, the information may be mailed to the applicant and, if requested, it will be mailed in an accessible format.

The full application is completed at the eligibility appointment in the applicant’s own handwriting, unless assistance is needed, or a request for accommodation is requested by a person with a disability. Applicants will then be interviewed by VBDHNP staff to review the information on the full application form. Verification of disability as it relates to 504, Fair Housing, or ADA reasonable accommodation will be requested at this time. The full application will also include questions asking all applications whether reasonable accommodations are necessary.

I. TRANSLATION OF DOCUMENTS

In determining whether it is feasible to provide translation of documents written in English into other languages, VBDHNP will consider the following factors:

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STATEMENT OF POLICIES AND OBJECTIVES

- ◆ Number of applicants and participants in the jurisdiction who do not speak English and speak the other language.
- ◆ The availability of local organizations to provide translation services to non English speaking families.

J. MANAGEMENT ASSESSMENT OBJECTIVES

- VBDHNP operates its housing assistance program with efficiency and can demonstrate to HUD auditors that the VBDHNP is using its resources in a manner that reflects its commitment to quality and service. VBDHNP policies and practices are consistent with the areas of measurement for the following HUD SEMAP indicators:
 - Selection from the Waiting List
 - Reasonable Rent
 - Determination of Adjusted Income
 - Utility Allowance Schedule
 - HQS Quality Control Inspections
 - HQS Enforcement
 - Expanding Housing Opportunities
 - Payment Standards
 - Annual Re-examinations
 - Correct Tenant Rent Calculations
 - Pre-Contract HQS Inspections
 - Annual HQS Inspections
 - Lease-up
 - Family Self-Sufficiency Enrollment and Escrow Account Balances
 - Bonus Indicator De-concentration

Supervisory quality control reviews will be performed by a VBDHNP Supervisor or other qualified person other than the person who performed the work, as required by HUD, on the following SEMAP factors:

- Selection from the waiting list
- Rent reasonableness
- Determination of adjusted income
- HQS Enforcement
- HQS Quality Control

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The annual sample of files and records will be drawn in an unbiased manner, leaving a clear audit trail.

The minimum sample size to be reviewed will relate directly to each factor.

K. RECORDS FOR MONITORING VBDHNP'S PERFORMANCE

In order to demonstrate compliance with HUD and other pertinent regulations, VBDHNP will maintain records, reports and other documentation for a time that is in accordance with HUD requirements and in a manner that will allow an auditor, housing professional or other interested party to follow, monitor and or assess VBDHNP's operational procedures objectively and with accuracy and in accordance with SEMAP requirements with internal supervisory audits.

Records and other documentation received from assisted or landlord customers will be date stamped upon date of receipt and stamped "original" or "original copy" depending upon the record or document.

L. PRIVACY RIGHTS [24 CFR 982.551 and 24 CFR 5.212]

Applicants and participants, including all adults in their households, are required to sign the HUD 9886 Authorization for Release of Information. This document incorporates the Federal Privacy Act Statement and describes the conditions under which VBDHNP will release family information.

VBDHNP's policy regarding release of information is in accordance with State and local laws which may restrict the release of family information.

Any and all information which would lead one to determine the nature and/or severity of a person's disability must be kept in a separate folder and marked "confidential" or returned to the family member after its use. The personal information in this folder must not be released except on an "as needed" basis in cases where an accommodation is under consideration. All requests for access and granting of accommodations based on this information must be approved by the HCV Administrator, Program Coordinator or Director of Housing .

VBDHNP's practices and procedures are designed to safeguard the privacy of applicants and program participants. All applicant and participant files will be stored in a secure location which is only accessible by authorized staff.

VBDHNP's staff will not discuss family information contained in files unless there is a business reason to do so. In-appropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

M. FAMILY OUTREACH

VBDHNP 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 VBDHNP's waiting list is open, VBDHNP 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.

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To reach persons who cannot read the newspapers; the VBDHNP will distribute fact sheets to the broadcasting media, and initiate personal contacts with members of the news media and community service personnel.

VBDHNP will 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.

N. OWNER OUTREACH [24 CFR 982.54(d)(5)]

VBDHNP makes a concerted effort to keep private owners informed of legislative changes in the tenant-based program, which are designed to make the program more attractive to owners. This includes informing participant owners of applicable legislative changes in program requirements.

VBDHNP encourages owners of decent, safe and sanitary housing units to lease to HCV families.

VBDHNP encourages participation by owners of suitable units located outside areas of low poverty or minority concentration.

VBDHNP conducts annual meetings with participating owners to improve owner relations and to recruit new owners.

VBDHNP maintains a list of units available for the HCV Program and updates this list at least bi-weekly. When listings from owners are received, they will be compiled by VBDHNP's staff by bedroom size.

Printed material is offered to acquaint owners and managers with the opportunities available under the program.

VBDHNP encourages program participation by owners of units located outside areas of poverty or minority concentration. VBDHNP periodically evaluates the demographic distribution of assisted families to identify areas within the jurisdiction where owner outreach should be targeted. The purpose of these activities is to provide more choice and better housing opportunities to families.

VBDHNP shall periodically:

- * Establish contact with civic, charitable or neighborhood organizations which have an interest in housing for low-income families and public agencies concerned with obtaining housing for displacements.
- * Explain the program, including equal opportunity requirements and nondiscrimination requirements, including Fair Housing Amendments Act of 1988 and Americans with Disabilities Act, to real estate agents, landlords, and other groups that have dealings with low-income families or are interested in housing such families.

Chapter 1

STATEMENT OF POLICIES AND OBJECTIVES

O. PROJECT-BASED VOUCHER PROGRAM:

1) CLOVERLEAF SRO

VBDHNP'S in conjunction with City of Chesapeake Housing and Redevelopment Agency, Norfolk Redevelopment and Housing Agency, Portsmouth Redevelopment and Housing Agency, the Continuum of Care Agencies of the Cities of Virginia Beach, Chesapeake, Norfolk, and Portsmouth; and Virginia Supportive Housing (VSH), signed a Memorandum of Agreement in September 2007 to support the sixty (60) unit Cloverleaf Single Room Occupancy (SRO) residence.

VBDHNP is allotted 44 units in the Cloverleaf SRO residence and supports these units with 44 project based vouchers. The remaining 16 units are allocated under the Continuum of Care Memorandums of Agreement, and will be represented by Norfolk, Portsmouth, Chesapeake, and Virginia Beach.

VBDHNP had entered in a Housing Assistance Payments contract with Virginia Supportive Housing, the manager of the Cloverleaf SRO residence. VBDHNP will bill the other jurisdictions for occupancy of the other allocated units.

VBDHNP provides a list of eligible applicants to Virginia Supportive Housing from the VBDHNP's HCV wait list as required. Virginia Supportive Housing performs final screening and approval of occupancy. VSH and VBDHNP is responsible for administration of the vouchers in accordance with the Department of Housing and Urban Development (HUD) regulations in CFR24 Part 983, Project Based Voucher Program.

2) VIRGINIA BEACH COMMUNITY DEVELOPMENT CORP (VBCDC)

VBDHNP's in conjunction with the Virginia Beach Community Development Corp (VBCDC), signed a memorandum of Agreement in January 2008 to support 40 units of Project Based Voucher's to house Homeless and /or disabled families. The VBDHNP maintains the list of eligible applicants and refers the same to the VBCDC. VBCDC performs final screening and approval of occupancy. VBCDC and VBDHNP are responsible for administration of the vouchers in accordance with the Department of Housing and Urban Development (HUD) regulations in CFR24 Part 983, Project Based Voucher Program.

Chapter 2
ELIGIBILITY FOR ADMISSION
[24 CFR Part 5, Subparts B, D & E; Part 982, Subpart E]

INTRODUCTION

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

A. ELIGIBILITY FACTORS [982.201(b)]

The VBDHNP accepts applications only from families whose head or spouse is at least 18 years of age or emancipated minors under State law. To be eligible for participation, an applicant must meet HUD's criteria, as well as any permissible additional criteria established by VBDHNP.

The HUD eligibility criteria are:

- An applicant must be a "family."
- An applicant must be within the appropriate Income Limits.
- An applicant must furnish Social Security Numbers for all family members age six and older.
- An applicant must furnish declaration of Citizenship or Eligible Immigrant Status and verification where required.
- At least one member of the applicant family must be either a U.S. citizen or have eligible immigration status before the PHA may provide any financial assistance.

Reasons for denial of admission are addressed in "Denial or Termination of Assistance", Chapter 15. These reasons for denial constitute additional admission criteria.

The Family's initial eligibility for placement on the waiting list will be made in accordance with the eligibility factors. Eligibility factors will be verified before the family is placed on the waiting list.

B. FAMILY COMPOSITION [24 CFR 982.201(c)]

The applicant must qualify as a Family. A Family may be a single person or a group of persons. A "family" includes a family with or without a child or children. 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. VBDHNP staff will determine if any other group of persons qualifies as a "family".

A single person family may be:

- An elderly person
- A person with a disability

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- Individuals may not be considered disabled for eligibility purposes solely on the basis of any drug or alcohol dependence.
- Any other single person

A child who is temporarily away from home because of placement in foster care is considered a member of the family. This provision only pertains to the foster child's temporary absence from the home, and is not intended to artificially enlarge the space available for other family members. Temporary is defined as in excess of 30 consecutive days.

A family also includes:

- Two or more persons who intend to share residency whose income and resources are available to meet the family's needs.
- Two or more persons who intend to share residency whose income and resources are available to meet the family's needs and who have a history as a family unit or show evidence of a stable family relationship.
- Two or more elderly or disabled persons living together, or one or more elderly, near elderly (age 50-61), or disabled persons living with one or more live-in aides is a family.

Head of Household

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

Spouse of Head

Spouse means the husband or wife of the head.

For proper application of the Non-citizens Rule, the definition of spouse is: the marriage partner who, in order to dissolve the relationship, would have to be divorced. It includes the partner in a common law marriage. The term "spouse" does not apply to boyfriends, girlfriends, significant others, or co-heads.

Co-Head

This is an individual in the household who is equally responsible for the lease with the Head of Household. A family may have a spouse or co-head, but not both. A co-head never qualifies as a dependent.

Live-in Attendants [24 CFR 982.316]

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

- Is determined by the VBDHNP's staff to be essential to the care and well being of an elderly person, a near-elderly person, or a person with disabilities,

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- Is not obligated for the support of the person(s), and
- Would not be living in the unit except to provide care for the person(s).

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

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

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

A Live in Aide may only reside in the unit with the approval of the VBDHNP. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker. 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.

The PHA will approve a live-in aide if needed as a reasonable accommodation to make the program accessible to and usable by the family member with a disability. Approval of a live-in aide for reasonable accommodation will be in accordance with CFR 24 Part 8 and the reasonable accommodations section in Chapter 1 of this administrative plan.

At any time, VBDHNP's will refuse to approve a particular person as a live-in aide or may withdraw such approval if:

- The person commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- The person commits drug-related criminal activity or violent criminal activity; or
- The person currently owes rent or other amounts to the VBDHNP's Rental Housing Division, or to another PHA in connection with the HCV program or public housing assistance under the 1937 Act.

Split Households Prior to Voucher Issuance

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

- Which family member applied as head of household.
- Which family unit retains the children or any disabled or elderly members.
- Restrictions that were in place at the time the family applied.
- Role of domestic violence in the split.
- Recommendations of social service agencies or qualified professionals such as children's protective services.

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Documentation of these factors is the responsibility of the applicant families. If either or both of the families do not provide the documentation, they may be denied placement on the waiting list for failure to supply information requested by VBDHNP.

In cases where domestic violence played a role, verification will be required. the same as that required for the "domestic violence" preference.

Multiple Families in the Same Household

When families apply which consist of two families living together, (such as a mother and father, and a daughter with her own husband or children), if they apply as a family unit, they will be treated as a family unit.

Joint Custody of Children

Children who are subject to a joint custody agreement but live with one parent at least 51% of the time will be considered members of the household. "51% of the time" is defined as 183 days of the year, which do not have to run consecutively.

There will be a self-certification required of families who claim joint custody or temporary guardianship.

When both parents are on the Waiting List and both are trying to claim the child, the parent whose address is listed in the school records will be allowed to claim the school-age child as a dependent.

C. INCOME LIMITATIONS [24 CFR 982.201(b), 982.353]

To be eligible for assistance, an applicant must meet one or more of the following criteria:

- Have an Annual Income at the time of admission that does not exceed the very low income limits for occupancy established by HUD.
- Be a very low income family.
- Be a low-income family that is continuously assisted under the 1937 Housing Act. An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within 120 days of voucher issuance. Programs include any housing federally assisted under the 1937 Housing Act.
- Be a low-income family physically displaced by rental rehabilitation activity under 24 CFR part 511.
- Be a low-income non-purchasing family residing in a HOPE 1 or HOPE 2 project.
- Be a low-income non-purchasing family residing in a project subject to a home-ownership program under 24 CFR 248.173.
- Be a low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of an insurance contract on eligible low-income housing as defined in 24 CFR 248.101.

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- Be a low-income family that qualifies for Voucher assistance as a non-purchasing family residing in a project subject to a resident home ownership program under 248.173
- Be a low income family previously assisted under the Housing Choice Voucher program whose income was terminated due to insufficient funding.

To determine if the family is income-eligible, the PHA compares the Annual Income of the family to the applicable income limit for the family's size.

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

Portability: For initial lease-up at admission, families who exercise portability must be within the applicable income limit for the jurisdiction of the receiving PHA in which they want to live. The family will also be subject to existing occupancy standards in effect in our jurisdiction.

Presently and until further notice the VBDHNP's is not absorbing any fees associated with request for Portability. We are currently only billing the sending jurisdiction for the fees associated with the voucher, once the tenant has executed a lease in our jurisdiction. We will financially support the fees associated with a HCV holder who requests to port to another jurisdiction only if the receiving jurisdiction's Payment Standards are the same as, or less than our current Payment Standards, or if the receiving jurisdiction agrees to absorb the fees associated with the Portability request.

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

Final Rule published in the Federal Register on January 27, 2009 is as follows:

The final rule requires all individuals applying for or participating in HUD's rental assistance programs to have a valid social security number. All social security numbers for an applicant's household must be verified using appropriate documentation before the household may be admitted into the project. For current tenants, all social security numbers must be provided and verified at the next interim or regularly scheduled recertification. All efforts should be made to ensure current tenants and those on the waiting list are aware of this new requirement that will take effect on March 30, 2009.

PRESENT POLICY- (Until March 30, 2009)

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.

Failure to furnish verification of social security numbers is grounds for denial or termination of assistance.

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Persons who have not been issued a Social Security Number must sign a certification that they have never been issued a Social Security Number.

Persons who disclose their Social Security Number but cannot provide verification must sign a certification and provide verification within 60 days. Elderly persons must provide verification within 120 days.

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

In order to receive assistance, a 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 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.

Mixed Families. A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed." Such applicant families will be given notice that their assistance will be pro-rated and that they may request a hearing if they contest this determination.

All members ineligible. Applicant families that include no eligible members are ineligible for assistance. Such families will be denied admission and offered an opportunity for a hearing.

Non-citizen students. Defined by HUD in the non-citizen regulations at 24 CFR 5.522. Not eligible for assistance.

Appeals. For this eligibility requirement only, the applicant is entitled to a hearing exactly like those provided for participants.

F. OTHER CRITERIA FOR ADMISSIONS [24 CFR 982.552(b)]

A family will not be admitted to the program if any member of the family has been evicted from federally assisted housing for serious violation of the lease within the past 5 years.

A family will be denied admission to the program if any member of the family fails to sign and submit consent forms for obtaining information required by the VBDHNP's including Form HUD-9886.

The family must not have violated any family obligation during a previous participation in the HCV program for 5 years prior to final eligibility determination. The VBDHNP will make an exception, if the family member who violated the family obligation is not a current member of the household on the application.

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The family must be in good standing regarding any current payment agreement made with another PHA for a previous debt incurred, before the VBDHNP will allow participation in its HCV program.

The VBDHNP will check criminal history for all adults in the household to determine whether any member of the family has violated any of the prohibited behaviors as referenced in the section on screening and terminations policy in the "Denial or Termination of Assistance" chapter.

If any applicant deliberately misrepresents the information on which eligibility or tenant rent is established, the VBDHNP may deny assistance and may refer the family file/record to the proper authorities for appropriate disposition. (See Program Integrity Addendum).

G. TENANT SCREENING [24 CFR 982.307]]

The VBDHNP's Rental Housing staff will take into consideration any of the criteria for admission described in the "Denial or Termination of Assistance" chapter.

The VBDHNP's Rental Housing Division will not screen family behavior or suitability for tenancy. VBDHNP will not be liable or responsible to the owner or other persons for the family's behavior or the family's conduct in tenancy. The owner is responsible for screening and selection of the family to occupy the owner's unit. At or before VBDHNP approval of the tenancy, the VBDHNP will inform the owner that screening and selection for tenancy is the responsibility of the owner.

The owner is responsible for screening families based on their tenancy histories, including such factors as: [24 CFR 982.307(a) (3)]

- Payment of rent and utility bills
- Caring for a unit and premises
- Respecting the rights of other residents to the peaceful enjoyment of their housing
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety or property of others; and
- Compliance with other essential conditions of tenancy.

The VBDHNP will give the owner:

- The family's current and prior address as shown in VBDHNP records; and
- The name and address (if known by VBDHNP) of the landlord at the family's current and prior address.

The same types of information will be supplied to all owners.

VBDHNP will advise families how to file a complaint if they have been discriminated against by an owner. VBDHNP will also advise the family to make a Fair Housing complaint. VBDHNP must also report the owner to HUD (Fair Housing/Equal Opportunity).

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

Changes that occur during the period between issuance of a voucher and lease up may affect the family's eligibility or share of the rental payment.

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 noncitizen status. See "Complaints and Appeals" chapter for additional information about reviews and hearings.

J. PROHIBITED ADMISSIONS CRITERIA [982.202(b)]

Admission to the program may not be based on:

- Where a family lives prior to admission to the program*.
- Where the family will live with assistance under the program.
- Discrimination because members of the family are unwed parents, recipients of public assistance, or children born out of wedlock.
- Discrimination because a family includes children.
- Whether a family decides to participate in a family self sufficiency program; or
- Other reasons as listed in the "Statement of Policies and Objectives" chapter under the Fair Housing and Reasonable Accommodations sections.

* However VBDHNP may target assistance for families who live in public housing, or other federally assisted housing, or may adopt a residency preference (as per [982.207]). If VBDHNP has requested and subsequently adopted a Residency Preference, it will be explained in further detail in the Waiting List/Preference Section of this Administrative Plan.

Chapter 3
APPLYING FOR ADMISSION
[24 CFR 982.201, 982.204, 982.206, 982.54]

INTRODUCTION

The policy of VBDHNP 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 completing an initial application for assistance, placement and denial of placement on the waiting list, and limitations on who may apply. The primary purpose of the intake function is to gather information about the family, but VBDHNP 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 Plan.

A. OVERVIEW OF THE APPLICATION TAKING PROCESS

The purpose of application taking is to permit VBDHNP to gather information and determine placement on the waiting list. The application will contain questions designed to obtain pertinent program information.

Families who wish to apply for any one of VBDHNP's programs must complete a written application form when application-taking is open. Applications will be made available in an accessible format upon request from a person with a disability.

When the waiting list is open, any family asking to be placed on the waiting list for HCV rental assistance will be given the opportunity to complete an application.

The application process will involve two phases. The first is the "initial" application for assistance (referred to as a preapplication). This first phase may result in the family's placement on the waiting list.

The pre-application will be dated, time-stamped, and referred to VBDHNP's eligibility office where it will be maintained until such time as it is needed for processing.

The second phase is the "final determination of eligibility" (referred to as the full application). The full application takes place when the family reaches the top of the waiting list. At this time VBDHNP ensures that verification of all HUD and PHA eligibility factors is current in order to determine the family's eligibility for the issuance of a voucher, or participation in a Project Based Voucher program (PBV).

B. OPENING/CLOSING OF APPLICATION TAKING [24 CFR 982.206, 982.54(d)(1)]

VBDHNP will utilize the following procedures for opening the waiting list:

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At least one (1) week prior to opening the Waiting List, the VBDHNP will advertise through public notice in the local newspapers, minority publications and media entities, the City of Virginia Beach public television and radio stations.

The notice will contain:

- The dates, times, and the locations where families may apply.
- The programs for which applications will be taken.
- A brief description of the program.
- The beginning and ending dates for accepting applications
- Limitations, if any, on who may apply.

The notices will be made in an accessible format if requested. They will provide potential applicants with information that includes VBDHNP address and telephone number, how to submit an application, information on eligibility requirements, and the availability of local preferences.

Upon request from a person with a disability, additional time will be given as an accommodation for submission of an application after the closing deadline. This accommodation is to allow persons with disabilities the opportunity to submit an application in cases when a social service organization provides inaccurate or untimely information about the closing date.

If the waiting list is open, VBDHNP will accept applications from eligible families unless there is good cause for not accepting the application, such as denial of assistance because of action or inaction by members of the family for the grounds stated in the "Denial or Termination of Assistance" chapter of this Administrative Plan. [24 CFR 982.206(b)(2)]

Closing the Waiting List

The open period shall be long enough to achieve a waiting list adequate to cover projected turnover and new allocations over the next 12 months. When the period for accepting applications is over, VBDHNP will add the new applicants to the list by separating the new applicants into groups based on preference points and then lotterizing applicants within each group.

Limits on Who May Apply

When the waiting list is open:

- ◆ Normally, any family asking to be placed on the waiting list for HCV rental assistance will be given the opportunity to complete an application.
- ◆ Depending upon the composition of the waiting list with regard to family types and preferences and to better serve the needs of the community, VBDHNP may only accept applications from any family claiming preference(s).

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C. "INITIAL" APPLICATION PROCEDURES [24 CFR 982.204(b)]

VBDHNP will utilize a preliminary application form. The information is to be filled out by the applicant whenever possible. To provide specific accommodation for persons with disabilities, the information may be completed by a staff person on a home visit.

The purpose of the preliminary application is to permit VBDHNP to preliminarily assess family eligibility or ineligibility and to determine placement on the waiting list. The preliminary application will contain at least the following information:

- Applicant name
- Family Unit Size (number of bedrooms the family qualifies for under PHA subsidy standards)
- Date and time of application
- Qualification for any local preference
- Racial or ethnic designation of the head of household
- Annual (gross) family income
- Targeted program qualifications

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

Ineligible families will not be placed on the waiting list.

Preliminary applications will not require an interview. The information on the application will not be verified until the applicant has been selected for final eligibility determination. Final eligibility will be determined when the full application process is completed and all information is verified.

D. APPLICANT STATUS WHILE ON WAITING LIST [CFR 982.204]

Applicants are required to inform VBDHNP in writing of changes in address. Applicants are also required to respond to requests from VBDHNP to update information on their application and to determine their interest in assistance.

If after a review of the preliminary application the family is determined to be preliminarily eligible, they will be notified in writing or in an accessible format upon request, as a reasonable accommodation.

This written notification of preliminary eligibility will be provided in one of three manners:

- ◆ given to the applicant at the time the preapplication is submitted
- ◆ mailed to the applicant by first class mail
- ◆ distributed to the applicant in the manner requested as a specific accommodation.

If the family is determined to be ineligible based on the information provided in the preapplication, VBDHNP will notify the family in writing (in an accessible format upon request

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as a reasonable accommodation), state the reason(s), and inform them of their right to an informal review. Persons with disabilities may request to have an advocate attend the informal review as an accommodation. (See "**Chapter 18, Complaints and Appeals**)

E. TIME OF SELECTION [24 CFR 982.204]

When funding is available, families will be selected from the waiting list in their determined sequence, regardless of family size, subject to income targeting requirements.

When there is insufficient funding available for the family at the top of the list, VBDHNP will not admit any other applicant until funding is available for the first applicant.

F. COMPLETION OF A FULL APPLICATION

All preferences claimed on the preliminary application or while the family is on the waiting list will be verified upon receipt of the preliminary application and prior to placement on the waiting list.

The qualification for preference must exist at the time the preference is claimed and at the time of verification, because claim of a preference determines placement on the waiting list.

After the preference is verified, when VBDHNP is ready to select applicants, applicants will be required to participate in a full application interview with a PHA representative during which the applicant will be required to furnish complete and accurate information verbally as requested by the interviewer. VBDHNP interviewer will complete the full application form with answers supplied by the applicant. The applicant will sign and certify that all information is complete and accurate.

The full application will be completed when the applicant attends the interview.

Requirement to Attend Interview

VBDHNP 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 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 PHA services or programs which may be available.

All adult family members are required to attend the interview and sign the housing application.

Exceptions may be made for students attending school out of state and/or for members for whom attendance would be a hardship.

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It is the applicant's responsibility to reschedule the interview if they miss the appointment. If the applicant does not reschedule or misses two scheduled meetings, VBDHNP will reject the application.

Applicants who fail to appear and want to reschedule a missed appointment must make the request to reschedule no later than 5 working days from the original appointment date. The request must be made to the staff person who scheduled the appointment.

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

Reasonable accommodation will be made for persons with a disability who require an advocate or accessible offices. A designee will be allowed to participate in the interview process, but only with permission of the person with a disability.

If an application is denied due to failure to attend the full application interview, the applicant will be notified in writing and offered an opportunity to request an informal review. (See "Complaints and Appeals" chapter.)

All adult members must sign the HUD Form 9886, Release of Information, the application form, the declarations and consents related to citizenship/immigration status and all supplemental forms required by VBDHNP. Applicants will be required to sign specific verification forms for information which is not covered by the HUD form 9886. Failure to do so will be cause for denial of the application for failure to provide necessary certifications and release as required by VBDHNP.

Every adult household member must sign a consent form to release criminal conviction records and to allow VBDHNP to receive records and use them in accordance with HUD regulations.

If VBDHNP determines at or after the interview that additional information or document(s) are needed, VBDHNP will request the document(s) or information in writing. The family will be given 10 working days to supply the information.

If the information is not supplied in this time period, VBDHNP will provide the family a notification of denial for assistance. (See "Complaints and Appeals" chapter)

G. VERIFICATION [24 CFR 982.201(e)]

Information provided by the applicant will be verified, using the verification procedures in the "Verification Procedures," Chapter 7. Family composition, income, allowances and deductions, assets, full-time student status, eligibility and rent calculation factors, and other pertinent information will be verified. Verifications may not be more than 60 days old at the time of issuance of the Voucher.

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H. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY
[24 CFR 982.201]

After the verification process is completed, VBDHNP will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by VBDHNP, and the current eligibility criteria in effect. If the family is determined to be eligible, VBDHNP will mail a notification of eligibility. A briefing will be scheduled for the issuance of avoucher and/or the family's orientation to the housing program.

Chapter 4
ESTABLISHING PREFERENCES AND MAINTAINING THE WAITING LIST
[24 CFR Part 5, Subpart D; 982.54(d)(1); 982.204, 982.205, 982.206, 982.207]

INTRODUCTION

It is VBDHNP's objective to ensure that families are placed in the proper order on the waiting list and selected from the waiting list for admissions in accordance with the policies in this Administrative Plan.

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

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

A. WAITING LIST [24 CFR 982.204][24 CFR 983.251]

The VBDHNP may use more than one waiting list in the administration of our voucher program. There will be a single waiting list for our HCV tenant based assistance program, and we may use a separate waiting list for admission to our PBV units, or may use the same waiting list for both Tenant-based assistance and PBV assistance. If we choose to use a separate waiting list for admission to our PBV units, we must offer to place applicants who are listed on the waiting list for tenant-based assistance on the waiting list for PBV assistance (24CFR983.251).

For PBV Programs involving more than one municipality, the City of Virginia Beach DHNP may establish multiple waiting lists that reflect the voucher allocations made to each of the participant cities”.

The VBDHNP may use separate waiting lists for PBV units in individual projects or buildings (or for sets of such units) or may use a single waiting list for the PHA's whole PBV program. In either case, the waiting list may establish criteria, or preferences for occupancy of particular units.

The VBDHNP may place families referred by the PBV owner on its PBV waiting list.

In the case of Special Admissions, [24 CFR 983.203] applicants will be selected from VBDHNP's waiting list in accordance with policies and preferences and income targeting requirements defined in this Administrative Plan.

The VBDHNP will maintain information that permits proper selection from the waiting list.

The waiting list contains the following information for each applicant listed:

- ◆ Applicant name
- ◆ Family unit size (number of bedrooms family qualifies for under the VBDHNP subsidy standards)
- ◆ Date and time of application

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- ◆ Qualification for any local preference
- ◆ Racial or ethnic designation of the head of household
- ◆ Annual (gross) family income
- ◆ Number of persons in family
- ◆ Targeted program qualifications

B. SPECIAL ADMISSIONS [24 CFR 982.54(d)(e), 982.203]

If HUD awards to VBDHNP program funding that is targeted for specifically named families, VBDHNP will admit these families under a Special Admission procedure.

Special admissions families will be admitted outside of the regular waiting list process. They do not have to qualify for any preferences, nor are they required to be on the program waiting list. VBDHNP maintains separate records of these admissions.

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

- A family displaced because of demolition or disposition of a public or Indian housing project;
- A family residing in a multifamily rental housing project when HUD sells, forecloses or demolishes the project;
- For housing covered by the Low Income Housing Preservation and Resident Homeownership Act of 1990;
- A family residing in a project covered by a project-based HCV HAP contract at or near the end of the HAP contract term; and
- A non-purchasing family residing in a HOPE 1 or HOPE 2 project.
- Families qualifying for placement under specialized HUD voucher programs such as Continuum of Care, Family Unification Program, SRO's targeted at the homeless and other similar funding streams".

Applicants who are admitted under Special Admissions, rather than from the waiting list, are maintained on a separate list.

C. LOCAL PREFERENCES [24 CFR 982.207]

VBDHNP is not required to offer public notice when changing its preference system according to HUD PIH Notice 98-4. However, VBDHNP is required to consider public comments on its annual plan in establishing local preferences.

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The VBDHNP uses the following preference system :

1) **Insufficient Funding Preference:**

This preference is extended to any family that has been terminated from its HCV program due to insufficient program funding.

2) **Disability Preference:**

This preference is extended to disabled persons or families with a disabled member as defined in this plan.

The PHA will require appropriate documentation from a knowledgeable professional. The PHA will not inquire as to the nature or extent of the disability.

An award letter or other proof of eligibility for Social Security Disability or Supplemental Security Income will be acceptable.

3) **Homeless Preference:**

This preference is available for individuals who meet the definition of homeless as determined by the VBDHNP; Project Based Developer; or HUD. Verification of Homeless status should be secured on the Documentation of Homelessness form and completed by a professional associated with a third party agency i.e. Salvation Army Counselor, Case Worker, Clergy, Department of Human Services; Virginia Beach Police Department, Department of Housing & Neighborhood Preservation ; Any Virginia Beach Non-Profit organization that works with homeless populations.

The VBDHNP designates agencies for this purpose. Any other suitable agency, or organization, may provide verification.

Prior to processing the application, the VBDHNP requires a second certification from the same source that the applicant is not yet permanently housed and has been continuously homeless or temporarily housed since claiming the preference.

If a family is in transitional housing and wishes the VBDHNP to hold the family's place on the waiting list, a statement is required from the agency providing the transitional housing.

4) **Residency Preference:**

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For families who live, work or have been hired to work in the City of Virginia Beach.

In order to verify that an applicant is a resident, the Department will require a minimum of **two (2)** of the following documents: rent receipts, leases, utility bills, employer or agency records, school records, drivers licenses, voters registration records and credit reports.

For families who have been hired to work in the City of Virginia Beach a statement from the employer will be required.

5) Elderly – Over 62 or older –

A family whose head of the household is at least 62 years of age or older.

6) Veteran – A family whose head of household is a Veteran of the Armed Forces, and who meets all other eligibility criteria.

7) Families with Dependent Children under 18 yrs old:

This preference is available for families with dependent children under 18 years old. A dependent is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: The head of household, spouse, co-head, foster children/adults and live-in-aides.

8) Victims of Domestic Violence -

Pursuant to the Violence Against Women Act (VAWA), this preference is available for individuals who have been victims of domestic violence, dating violence, sexual assault, or stalking. No applicant who has been a victim of domestic violence, dating violence, sexual assault, or stalking will be denied admission to the program. Victims of domestic violence who claim this preference must submit verification by completing the Certification of Domestic Violence, Dating Violence, or Stalking form HUD 91066.

9) Working Preference:

This preference is for households where the head, spouse or sole member has been employed in their current job for at least 1 year. However, an applicant shall be given the benefit of the working family preference if the head and spouse, or sole member is age 62 or older, or is a person with disabilities.

VBDHNP will require a statement from the employer, or verification of the age or disability status of the head and spouse, or sole member.

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Preference points are as follows:

1)	Insufficient Funding	75 points
2)	Disability	50 points
3)	Homeless	50 points
4)	Residency	50 points
5)	Elderly – 62 or older	25 points
6)	Veteran	25 points
7)	Families with Children under 19 yrs old	20 points
8)	Victim of Domestic Violence	50 points
9)	Working	20 points

Date and time of receipt of a completed application: When there are families with the same amount of points, the date and time of the application determines the placement on the wait list. When there are no points, then the date and time of the application determines the placement on the wait list.

D. INCOME TARGETING

In accordance with the Quality Housing and Work Responsibility Act of 1998, each fiscal year VBDHNP will reserve a minimum of seventy-five percent of its HCV new admissions for families whose income does not exceed 30 percent of the area median income. HUD refers to these families as “extremely low-income families.” VBDHNP will admit families who qualify under the Extremely Low Income limit to meet the income targeting requirement, regardless of preference.

VBDHNP’s income targeting requirement does not apply to low income families continuously assisted as provided for under the 1937 Housing Act. VBDHNP is also exempted from this requirement where WE ARE providing assistance to low income or moderate income families entitled to preservation assistance under the tenant-based program as a result of a mortgage prepayment or opt-out.

E. INITIAL DETERMINATION OF LOCAL PREFERENCE QUALIFICATION
[24CFR 982.207]

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The method for selecting applicants from a preference category must leave a clear audit trail that can be used to verify that each applicant has been selected in accordance with this Administrative Plan.

VBDHNP will verify all preference claims at the time they are made. VBDHNP will re-verify a preference claim, if we feel the family's circumstances have changed, at time of selection from the waiting list.

If the preference verification indicates that an applicant does not qualify for the preference, the applicant will be returned to the waiting list without the local preference and given an opportunity for a meeting.

If, at the time the family applied, the preference claim was the only reason for placement of the family on the list and the family cannot verify their eligibility for the preference as of the date of application, the family will be removed from the list.

F. PREFERENCE AND INCOME TARGETING ELIGIBILITY [24 CFR 982.207]

Change in Circumstances

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

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

If the family's verified annual income, at final eligibility determination, does not fall under the Extremely Low Income limit and the family was selected for income targeting purposes before family(ies) with a higher preference, the family will be returned to the waiting list.

Other Housing Assistance [24 CFR 982.205(b)]

Other housing assistance means a federal, State or local housing subsidy, as determined by HUD, including public housing.

VBDHNP may not take any of the following actions because an applicant has applied for, received, or refused other housing: [24 CFR 982.205(b)]

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

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However, VBDHNP may remove the applicant from the waiting list for tenant-based assistance if WE have offered the applicant assistance under the voucher program.

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

VBDHNP'S method for selecting applicants from a preference category leaves a clear audit trail that can be used to verify that each applicant has been selected in accordance with the method specified in the administrative plan.

Local Preferences

Local preferences will be used to select families from the waiting list. Each preference is allocated points as shown on page 4 of this chapter. The more preference points an applicant has, the higher the applicant's place on the waiting list.

Among Applicants with Equal Preference Status

Among applicants with equal preference status, the list will be lotterized within each preference group.

H. FINAL VERIFICATION OF PREFERENCES [24 CFR 982.207]

Preference information on applications will be updated as applicants are selected from the waiting list. At that time, VBDHNP'S will obtain necessary verifications of preference at the interview and by third party verification.

I. PREFERENCE DENIAL [24 CFR 982.207]

If VBDHNP'S denies a preference, We will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for an informal review. If the preference denial is upheld as a result of the review, or the applicant does not request a review, the applicant will be placed on the waiting list without benefit of the preference.

If the applicant falsifies documents or makes false statements in order to qualify for any preference, they will be removed from the waiting list.

J. REMOVAL FROM WAITING LIST AND PURGING [24 CFR 982.204(c)]

The Waiting List will be purged not more than twice each year by a mailing to all applicants to ensure that the waiting list is current and accurate. The mailing will ask for written confirmation of continued interest.

Any initial mailings to the applicant which require a response will state that failure to respond within 10 working days may result in the applicant's name being dropped from the waiting list.

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If an applicant fails to respond to a mailing from VBDHNP, the applicant will be sent written notification and given 10 days to contact our Division. If they fail to respond, they will be removed from the waiting list.

An extension of 30 days to respond will be granted, if requested and needed as a reasonable accommodation for a person with a disability.

If a letter is returned by the Post Office without a forwarding address, the applicant will be removed without further notice, and the envelope and letter will be maintained in the file.

If a letter is returned with a forwarding address, it will be re-mailed to the address indicated and be treated as an initial mailing.

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless the Rental Housing Administrator, or Program Coordinator determines there were circumstances beyond the person's control.

Chapter 5
SUBSIDY STANDARDS
24 CFR 982.402, 982.403

INTRODUCTION

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

A. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402]

The VBDHNP does not determine who shares a bedroom/sleeping room, but there must be at least one person per bedroom on the Voucher. The VBDHNP subsidy standards for determining voucher size shall be applied in a manner consistent with Fair Housing guidelines.

For subsidy standards, an adult is a person 18 years old or older or an emancipated minor.

All standards in this section relate to the number of bedrooms on the Voucher, not the family's actual living arrangements.

The unit size on the Voucher remains the same as long as the family composition remains the same, regardless of the actual unit size rented.

One bedroom will be generally be assigned for each two family members.

A single pregnant woman with no other family members must be treated as a two-person family.

Single person families shall be allocated one bedroom.

GUIDELINES FOR DETERMINING VOUCHER SIZE

Voucher Size	Persons in Household	
	Minimum Number	Maximum Number
0 Bedroom	1	1
1 Bedroom	1	2
2 Bedrooms	3	4
3 Bedrooms	5	6
4 Bedrooms	7	8
5 Bedrooms	9	10
6 Bedrooms	11	12

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B. EXCEPTIONS TO SUBSIDY STANDARDS [24 CFR 982.403(a) & (b)]

The VBDHNP shall grant exceptions from the subsidy standards if the family requests and if VBDHNP's Rental Housing Division staff determines the exceptions are justified as per the CFR and the VBDHNP's policies in place at the time of the request. VBDHNP will grant an exception upon request as an accommodation for persons with disabilities. Circumstances may dictate a larger size than the subsidy standards permit when persons cannot share a bedroom because of a need, such as a:

- * Verified medical or health reason; or
- * Elderly persons or persons with disabilities who may require a live-in attendant.

Request for Exceptions to Subsidy Standards

The family may request a larger sized voucher than indicated by VBDHNP's subsidy standards. Such request must be made in writing, or orally if unable to submit in writing, within five days of VBDHNP's determination of bedroom size. The request must explain the need or justification for a larger bedroom. Documentation verifying the need or justification will be required as appropriate.

The VBDHNP will not issue a larger voucher due to additions of family members other than by birth, adoption, marriage, or court-awarded custody.

Requests based on health related reasons must be verified by a medical professional.

All exceptions will be approved by the HCV Administrator or HCV Program Coordinator.

IN THE EVENT OF AN ERROR MADE BY THE VBDHNP

If VBDHNP staff errs in the bedroom size designation, the family will be issued a Voucher of the appropriate size.

Changes for Applicants

The voucher size is determined prior to the briefing by comparing the family composition to VBDHNP subsidy standards. If an applicant requires a change in the voucher size, based on the requirements of VBDHNP's subsidy standards, the above-referenced guidelines will apply.

Changes for Participants

The members of the family residing in the unit must be approved by VBDHNP and the participating HCV landlord/owner. The family must obtain approval of any additional family

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member before the new member occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform VBDHNP's staff within 5 days. The above referenced guidelines will apply.

Under-housed Families

If a unit does not meet HQS space standards due to an increase in family size, (unit too small), The VBDHNP will issue a new voucher of the appropriate size and assist the family in locating a suitable unit.

The VBDHNP will also notify the family of the circumstances under which an exception may be granted, such as:

- * If a family with a disability is under-housed in an accessible unit.
- * If a family requires the additional bedroom because of a health problem which has been verified by the VBDHNP.

Over-housed Families

Families who are over-housed due to changes in family composition will be issued a smaller bedroom size voucher 60 days prior to their next annual reexamination. The family may remain in the larger dwelling unit providing it is affordable for them to do so.

C. UNIT SIZE SELECTED [24 CFR 982.402(c)]

The family may select a different size dwelling unit than that listed on the Voucher. However, there are three criteria to consider in determining whether the selected unit will be approved by VBDHNP staff:

Subsidy Limitation: The family unit size as determined for a family under VBDHNP subsidy standard for a family assisted in the voucher program is based on the VBDHNP's adopted payment standards. The payment standard for a family shall be the *lower of*:

The payment standard amount for the family unit size(as per noted on the voucher; or

The payment standard amount for the unit size rented by the family.

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 size authorized on the family's Voucher.

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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. (See Chart Below).

***HQS GUIDELINES FOR UNIT SIZE SELECTED**

Unit Size	Maximum Number in Household
0 Bedroom	1
1 Bedroom	2
2 Bedrooms	4
3 Bedrooms	6
4 Bedrooms	8
5 Bedrooms	10
6 Bedrooms	12

Chapter 6
FACTORS RELATED TO TOTAL TENANT PAYMENT AND FAMILY SHARE DETERMINATION
24 CFR Part 5 Subparts E and F; 982.153, 982.551]

INTRODUCTION

VBDHNP will use the methods as set forth in this Administrative Plan to verify and determine that family income at admission and at annual reexamination is correct. The accurate calculation of Annual Income and Adjusted Income will ensure that families are not paying more or less money for rent than their obligation under the Regulations.

This Chapter defines the allowable expenses and deductions to be subtracted from Annual Income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 5, Subparts E and F, and further instructions set forth in HUD Notices and Memoranda. The formula for the calculation of TTP is specific and not subject to interpretation. VBDHNP 's policies in this Chapter address those areas which allow VBDHNP discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

A. INCOME AND ALLOWANCES [24 CFR 5.609]

Income: Includes all monetary amounts which are received on behalf of the family. For purposes of calculating the Total Tenant Payment, HUD defines what is to be calculated and what is to be excluded in the federal regulations. In accordance with this definition, all income which is not specifically excluded in the regulations is counted.

Annual Income is defined as the gross amount of income anticipated to be received by the family during the 12 months after certification or recertification. Gross income is the amount of income prior to any HUD allowable expenses or deductions, and does not include income which has been excluded by HUD. Annual income is used to determine whether or not applicants are within the applicable income limits.

Adjusted Income is defined as the Annual income minus any HUD allowable expenses and deductions.

Allowable Deductions

HUD has five allowable deductions from annual income:

- **Dependent Allowance**: \$480 each for family members (other than the head or spouse who are minors, and for family members who are 18 and older who are full-time students or who are disabled).
- **Elderly Disabled Allowance**: \$400 per family for families whose head or spouse are 62 or over, or disabled.
- **Allowable Medical Expenses**: Deducted for all family members of an eligible elderly/disabled family.
- **Child Care Expenses**: Deducted for the care of children under 13 when child care is necessary to allow an adult member to work, attend school, or actively seek employment..
- **Allowable Disability Assistance Expenses**: Deducted for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult family member to work.

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B. DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS FOR PERSONS WITH DISABILITIES [24 CFR 5.617; 982.201(b)(3)]

The annual income for qualified families may not be increased as a result of increases in earned income of a family member who is a person with disabilities beginning on the date on which the increase in earned income begins and continuing for a cumulative 12-month period. After the disabled family receives 12 cumulative months of the full exclusion, annual income will include a phase-in of half the earned income excluded from annual income.

A family qualified for the earned income exclusion is a family that is receiving tenant-based rental assistance under the Housing Choice Voucher Program; and

- Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;
- Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or
- Whose annual income increases, as a result of new employment or increased earnings of a family member during or within six months after receiving assistance, benefits or services under any State program for TANF provided that the total amount over a six-month period is at least \$500. The qualifying TANF assistance may consist of any amount of monthly income maintenance, and/or at least \$500 in such TANF benefits and services as one-time payments, wage subsidies and transportation assistance.

The HUD definition of "previously unemployed" includes a person with disabilities who has earned in the previous 12 months no more than the equivalent earnings for working 10 hours per week for 50 weeks at the minimum wage. Minimum wage is the prevailing minimum wage in the State or locality.

The HUD definition of economic self-sufficiency program is: any program designed to encourage, assist, train or facilitate economic independence of assisted families or to provide work for such families. Such programs may include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as substance abuse or mental health treatment).

Qualifying increases are any earned income increases of a family member who is a person with disabilities during participation in an economic self-sufficiency or job training program and not increases that occur after participation, unless the training provides assistance, training or mentoring after employment.

The amount that is subject to the disallowance is the amount of incremental increase in income of a family member who is a person with disabilities. The incremental increase in income is calculated by comparing the amount of the disabled family member's income before the beginning of qualifying employment or increase in earned income to the amount of such income after the beginning of employment or increase in earned income.

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Initial Twelve-Month Exclusion

During the cumulative 12-month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, VBDHNP will exclude from annual income of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over the prior income of that family member.

Second Twelve-Month Exclusion and VBDHNP Phase-in

During the second cumulative 12-month period after the expiration of the initial cumulative 12-month period referred to above, VBDHNP must exclude from annual income of a qualified family 50 percent of any increase in income of a family member who is a person with disabilities as a result of employment over income of that family member prior to the beginning of such employment.

Maximum Four Year Disallowance

The earned income disallowance is limited to a lifetime 48-month period for each family member who is a person with disabilities. For each family member who is a person with disabilities, the disallowance only applies for a maximum of 12 months of full exclusion of incremental increase, and a maximum of 12 months of phase-in exclusion during the 48-month period starting from the date of the initial exclusion.

If the period of increased income does not last for 12 consecutive months, the disallowance period may be resumed at any time within the 48-month period, and continued until the disallowance has been applied for a total of 12 months of each disallowance (the initial 12-month full exclusion and the second 12-month VBDHNP phase-in exclusion).

No earned income disallowance will be applied after the 48-month period following the initial date the exclusion was applied.

Applicability to Child Care Expense Deductions

The amount deducted for child care necessary to permit employment shall not exceed the amount of employment income that is included in annual income. Therefore, for families entitled to the earned income disallowance, the amounts of the full and phase-in exclusions from income shall not be used in determining the cap for child care deductions.

Tracking the Earned Income Exclusion

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

Such documentation will include:

- * Date the increase in earned income was reported by the family
- * Name of the family member whose earned income increased
- * Reason (new employment, participation in job training program, within 6 months after receiving TANF) for the increase in earned income

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- * Amount of the increase in earned income (amount to be excluded)
- * Date the increase in income is first excluded from annual income
- * Date(s) earned income ended and resumed during the initial cumulative 12-month * period of exclusion (if any)
- * Date the family member has received a total of 12 months of the initial exclusion
- * Date the 12-month phase-in period began
- * Date(s) earned income ended and resumed during the second cumulative 12-month period (phase-in) of exclusion (if any)
- * Date the family member has received a total of 12 months of the phase-in exclusion
- * Ending date of the maximum 48-month (four year) disallowance period (48 months from the date of the initial earned income disallowance)

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

Inapplicability to Admission

The earned income disallowance is only applied to determine the annual income of families who are participants in the Housing Choice Voucher Program, and therefore does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

C. MINIMUM RENT [24 CFR 5.616]

Minimum Rent

"Minimum rent" is \$50.00. Minimum rent refers to the Minimum Total Tenant Payment and includes the combined amount a family pays towards rent and/or utilities when it is applied.

Hardship Requests for an Exception to Minimum Rent [24 CFR 5.630]

VBDHNP recognizes that in some circumstances even the minimum rent may create a financial hardship for families. VBDHNP will review all relevant circumstances brought to VBDHNP 's attention regarding financial hardship as it applies to the minimum rent. The following section states VBDHNP 's procedures and policies in regard to minimum rent financial hardship as set forth by the Quality Housing and Work Responsibility Act of 1998. HUD has defined circumstances under which a hardship could be claimed. (24 CFR 5.630)

Criteria for Hardship Exception

In order for a family to qualify for a hardship exception the family's circumstances must fall under one of the following HUD hardship criteria:

- The family has lost eligibility or is awaiting an eligibility determination for Federal, State, or local assistance, including a family with a member who is a non-citizen lawfully admitted for

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permanent residence under the Immigration and Nationality Act, and who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

- The family would be evicted as a result of the imposition of the minimum rent requirement;
- The income of the family has decreased because of changed circumstances, including loss of employment, death in the family, or other circumstances as determined by VBDHNP or HUD
- When a death has occurred in the family; and
- Other circumstances determined by the responsible entity or HUD

VBDHNP Notification to Families of Right to Hardship Exception

VBDHNP will notify all families subject to minimum rents of their right to request a minimum rent hardship exception. "Subject to minimum rent" means the minimum rent was the greatest figure in the calculation of the greatest of 30% of monthly adjusted income, 10% of monthly income, minimum rent or welfare rent.

VBDHNP notification will advise families that hardship exception determinations are subject to VBDHNP review and hearing procedures.

VBDHNP will review all family requests for exception from the minimum rent due to financial hardships.

All requests for minimum rent hardship exceptions are required to be in writing and must include a statement of the family hardship that qualify the family for an exception.

VBDHNP will use its standard verification procedures to verify circumstances which have resulted in financial hardship.

Suspension of Minimum Rent

VBDHNP will grant the minimum rent exception to all families who request it, effective the first of the following month.

The minimum rent will be suspended until VBDHNP determines whether the hardship is covered by statute and temporary or long term

"Suspension" means that VBDHNP must not use the minimum rent calculation until VBDHNP has made this decision.

During the minimum rent suspension period, the family will not be required to pay a minimum rent and the housing assistance payment will be increased accordingly.

If VBDHNP determines that the minimum rent is not covered by statute, VBDHNP will impose a minimum rent including payment for minimum rent from the time of suspension.

Temporary Hardship [24 CFR 5.630]

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If VBDHNP determines that the hardship is temporary, a minimum rent will not be imposed for a period of up to 90 days from the date of the family's request. At the end of the temporary suspension period, a minimum rent will be imposed retroactively to the time of suspension.

Long-Term Duration Hardships [24 CFR 5.616(c)(3)]

If VBDHNP determines that there is a qualifying long-term financial hardship, VBDHNP must exempt the family from the minimum rent requirements for as long as the hardship continues. The exemption from minimum rent shall apply from the first day of the month following the family's request for exemption.

D. DEFINITION OF TEMPORARILY/PERMANENTLY ABSENT

[24 CFR 982.54(d)(10), 982.551]

The VBDHNP must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, the VBDHNP must count the income of the spouse or the head of the household if that person is temporarily absent, even if that person is not on the lease.

"Temporarily absent" is defined as away from the unit for 30 or less consecutive days. "Permanently absent" is defined as away from the unit for more than 30 consecutive days.

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

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

Absence of Any Member

Any member of the household will be considered permanently absent if s/he is away from the unit for 30 consecutive days except as otherwise provided in this Chapter.

Absence due to Medical Reasons

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, the VBDHNP will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 60 consecutive days, the family member will not be considered permanently absent.

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

Absence Due to Full-time Student Status

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

- A student (other than head of household or spouse) who attends school away from home but lives with the family during school recesses may, at the family's choice, be considered either

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temporarily or permanently absent. If the family decides that the member is permanently absent, income of that member will not be included in total household income, the member will not be included on the lease, and the member will not be included for determination of Voucher size.

- Full time students who attend school away from the home and live with the family during school recess will be considered temporarily absent from the household.

Absence due to Incarceration

If the sole member is incarcerated for more than 30 consecutive days, s/he will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for 30 days.

VBDHNP will determine if the reason for incarceration is for drug-related or violent criminal activity.

Absence of Children due to Placement in Foster Care

If the family includes a child or children temporarily absent from the home due to placement in foster care, the VBDHNP will determine from the appropriate agency when the child/children will be returned to the home.

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

Absence of Entire Family

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

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

Families must notify the VBDHNP at least five days prior to leaving the unit if they are going to be absent from the unit for more than 30 consecutive days.

If the entire family is absent from the assisted unit for more than 30 consecutive days, the unit will be considered to be vacated and the assistance will be terminated.

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

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

- * Write letters to the family at the unit
- * Telephone the family at the unit
- * Interview neighbors
- * Verify if utilities are in service
- * Check with the post office

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

If the absence which resulted in termination of assistance was due to a person's disability, and the VBDHNP can verify that the person was unable to notify the VBDHNP in accordance with the family's responsibilities, and if funding is available, the VBDHNP may reinstate the family as an accommodation if requested by the family, as long as the period was within 180 days.

Caretaker for Children

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, the VBDHNP will treat that adult as a visitor for the first 30 days.

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

If the appropriate agency cannot confirm the guardianship status of the caretaker, the VBDHNP will review the status at 15 day intervals.

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

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

If a member of the household is subject to a court order that restricts him/her from the home for more than 60 months, the person will be considered permanently absent.

Visitors

Any adult not included on the HUD 50058 who has been in the unit more than 30 consecutive days without VBDHNP approval, or a total of 120 days in a 12-month period, will be considered to be living in the unit as an unauthorized household member.

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

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

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

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

Minors and college students who were part of the family but who now live away from home during the school year and are no longer on the lease may visit for up to 90 days per year without being considered a member of the household.

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In a joint custody arrangement, if the minor is in the household less than 90 days per year, the minor will be considered to be an eligible visitor and not a family member.

Reporting Additions to Owner and VBDHNP

Reporting changes in household composition to the VBDHNP is both a HUD and a VBDHNP requirement.

The family obligations require the family to request from both the landlord, and VBDHNP approval to add any other family member as an occupant of the unit and to inform the VBDHNP of the birth, adoption or court-awarded custody of a child. The family must request prior approval of additional household members in writing. If any new family member is added, the income of the additional member will be included in the family income as applicable under HUD regulations.

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

In the event that a visitor continues to reside in the unit after the maximum allowable time, the family must report it to the VBDHNP in writing within five days of the maximum allowable time.

Families are required to report any additions to the household in writing to the VBDHNP within 5 days of the move-in date.

An interim reexamination will be conducted for any additions to the household.

In addition, VBDHNP requires the family to obtain prior written approval from the owner when there are changes in family composition other than birth, adoption or court awarded custody. The lease may require the same.

Reporting Absences to the VBDHNP

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

If a family member leaves the household, the family must report this change and provide verification of new address to the VBDHNP, in writing, within 5 days of the change and certify as to whether the member is temporarily absent or permanently absent.

The VBDHNP will conduct an interim evaluation for changes which affect the Total Tenant Payment in accordance with the interim policy.

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E. AVERAGING INCOME

When annual income cannot be anticipated for a full twelve months, the VBDHNP will annualize current income and conduct an interim reexamination if income changes.

If there are bonuses or overtime which the employer cannot anticipate for the next twelve months, bonuses and overtime received the previous year will be used.

F. MINIMUM INCOME

There is no minimum income requirement.

Families who report zero income are required to certify their status monthly, as well as undergo an interim recertification quarterly. EIV reports obtained for the client will be reviewed at this time as well.

Families that report zero income will be required to come to the VBDHNP office for monthly appointments and sign affidavits attesting to no income, and provide information regarding their means of basic subsistence, such as food, utilities, transportation, etc. Additionally all adult household members claiming zero income will be required to sign a release of information form allowing the VBDHNP to obtain a payment history and wage record from the Virginia Employment Commission and TANF verification from the Department of Human Services. A families repeated failure to comply with this process may result in termination of the Housing Choice Voucher .

If the family's expenses exceed their known income, the VBDHNP will make inquiry of the head of household as to the nature of the family's accessible resources.

G. INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME
[24 CFR 982.54(d)(10)]

If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, the VBDHNP will calculate the income by using the following methodology and use the income figure which would result in a lower payment by the family:

Exclude the income and deductions of the member if his/her income goes directly to the facility, or Include the income and deductions of the member if his/her income goes to a family member.

H. REGULAR CONTRIBUTIONS AND GIFTS [24 CFR 5.609]

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

Any contribution or gift received every month or more frequently will be considered a "regular" contribution or gift, unless the amount is less than \$300 per year. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See "Verification Procedures," Chapter 7 for further definition.)

If the family's expenses exceed its known income, the VBDHNP will inquire of the family regarding contributions and gifts.

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I. ALIMONY AND CHILD SUPPORT [24 CFR 5.609]

The VBDHNP encourages families to apply for child support.

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

VBDHNP will count the actual amount of support being received by the household. If the amount of child support or alimony received is less than the amount awarded by the court, VBDHNP will use the lesser amount actual payments received for the last twelve months will be used, including payments that vary from month to month, irregular payments, and lump sums.

VBDHNP will accept verification that the family is receiving an amount lesser than the award if: VBDHNP receives verification from the agency responsible for enforcement or collection.

For child support or alimony not being paid through a government agency, VBDHNP will accept the following documents as proof of payment: court documents, notarized statement from the payee stating the amount and frequency of payment, and/or self-certification from the resident responsible for the children.

It is the family's responsibility to supply a certified copy of the divorce decree.

All unusual cases involving child support will be dealt with on a case by case basis and approved by the HCV Coordinator.

J. LUMP-SUM RECEIPTS [24 CFR 5.609]

Lump-sum additions to Family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, are not included in income but may be included in assets.

Lump-sum payments caused by delays in processing periodic payments such as unemployment or welfare assistance are counted as income. Lump sum payments from Social Security or SSI are excluded from income, but any amount remaining will be considered an asset. Deferred periodic payments which have accumulated due to a dispute will be treated the same as periodic payments which are deferred due to delays in processing.

In order to determine amount of retroactive tenant rent that the family owes as a result of the lump sum receipt, VBDHNP uses a calculation method which calculates retroactively depending on the circumstances.

Retroactive Calculation Methodology

The VBDHNP will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer.

The VBDHNP will determine the amount of income for each certification period, including the lump sum, and recalculate the tenant rent for each certification period to determine the amount due the VBDHNP .

The family has the choice of paying this "retroactive" amount to the VBDHNP in a lump sum, or at VBDHNP 's option, the VBDHNP may enter into a Payment Agreement with the family.

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

K. CONTRIBUTIONS TO RETIREMENT FUNDS - ASSETS [24 CFR 5.603(d)]

Contributions to company retirement/pension funds are handled as follows:

While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment.

After retirement or termination of employment, count any amount the employee elects to receive as a lump sum.

L. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE
[24 CFR 5.603(d)(3)]

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

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

The VBDHNP's minimum threshold for counting assets disposed of for less than Fair Market value is \$500. If the total value of assets disposed of within a one-year period is less than \$500, they will not be considered an asset.

M. CHILD CARE EXPENSES [24 CFR 5.603] [HCV GB 5-29]

The amount of Child Care expenses anticipated to be paid for children under 13 may be deducted from annual income, only to the extent such amounts are not reimbursed if they enable an adult to work or attend school, or to actively seek employment.

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

In cases where an adult family member is available to provide child care, the expense will be allowed as a deduction when the family chooses a non-family member provider.

Allowability of deductions for child care expenses is based on the following guidelines:

Child care to work: The maximum child care expense allowed cannot exceed the amount earned by the person enabled to work which is included in the family's annual income. When more than 1 family member is working the "person enabled to work" will be the adult member of the household who earns the least amount of income from working.

Child care for school: The number of hours claimed for child care may not exceed the number of hours the family member is attending school, including reasonable travel time to and from school.

Amount of Expense: VBDHNP will survey the local care providers in the community/collect data as a guideline. If the hourly rate materially exceeds the guideline, the VBDHNP may calculate the allowance using the guideline.

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N. MEDICAL EXPENSES [24 CFR 5.609(a)(2), 5.603]

When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide.

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

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

Prorated Assistance Calculation

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percent of the family members who actually are eligible. Calculations for each housing program are performed on the HUD 50058 form.

P. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS

VBDHNP will not reduce the rental contribution for families whose welfare assistance is reduced specifically because of:

- fraud by a family member in connection with the welfare program; or
- failure to participate in an economic self-sufficiency program; or
- noncompliance with a work activities requirement

However, the VBDHNP will reduce the rental contribution if the welfare assistance reduction is a result of:

- The expiration of a lifetime time limit on receiving benefits; or
- A situation where a family member has not complied with other welfare agency requirements; or
- A situation where a family member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment, such as the family member has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits.

Imputed welfare income is the amount of annual income not actually received by a family as a result of a specified welfare benefit reduction that is included in the family's income for rental contribution.

Imputed welfare income is not included in annual income if the family was not an assisted resident at the time of sanction.

The amount of imputed welfare income is offset by the amount of additional income a family receives that begins after the sanction was imposed.

When additional income is at least equal to the imputed welfare income, the imputed welfare income is reduced to zero.

Verification Before Denying a Request to Reduce Rent

The VBDHNP will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance with economic self-sufficiency or work activities requirements *before* denying the family's request for rent reduction.

The welfare agency, at the request of the VBDHNP, will inform the VBDHNP of:

- amount and term of specified welfare benefit reduction for the family;
- reason for the reduction; and
- subsequent changes in term or amount of reduction.

Cooperation Agreements

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

Q. FIRST MONTH FREE RENT

When, on an initial move-in, an owner is offering the first month's rent free, VBDHNP will enter an offsetting check adjustment for the first month's HAP remittance to the owner thereby in effect remitting a zero HAP amount for the first month's rent.

R. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS

[24 CFR982.517]

The same Utility Allowance Schedule is used for all tenant-based programs.

The utility allowance is intended to cover the cost of utilities not included in the rent. The allowance is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. Allowances are not based on an individual family's actual energy consumption.

The VBDHNP's utility allowance schedule, and the utility allowance for an individual family, must include the utilities and services that are necessary in the locality to provide housing that complies with the housing quality standards.

The VBDHNP may not provide any allowance for non-essential utility costs, such as costs of cable or satellite television.

The VBDHNP must classify utilities in the utility allowance schedule according to the following general categories: space heating, air conditioning, cooking, water heating, water, sewer, trash collection other electric, refrigerator (for tenant supplied refrigerator), range (cost of tenant-supplied range); and other specified services.

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An allowance for tenant-paid air conditioning will be provided in those cases where the majority of housing units in the market have central air conditioning or are wired for tenant installed air conditioners [24 CFR 982.517; 24 CFR 982.519].

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

Where families provide their own range and refrigerator, the VBDHNP will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance. Allowances for ranges and refrigerators will be based on the lesser of the cost of leasing or purchasing the appropriate appliance over a 36 month period.

On request from a family that includes a person with disabilities, the VBDHNP must approve a utility allowance which is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation in accordance with 24 CFR part 8 to make the program accessible to and usable by the family member with a disability.

Where the calculation on the HUD 50058 results in a utility reimbursement payment due the family [24 CFR 982.514(b)], the VBDHNP will provide a utility reimbursement payment for the family each month. The check will be made out directly to the head of household. However, if the family has repeated utility interruptions for non-payment of utility bills, VBDHNP may opt to pay the reimbursement directly to the utility company.

As a condition of Voucher Issuance, VBDHNP requires each Head of Household pass a utility clearance to include gas, electric, water and sewage as relevant. Assistance will be denied if it is confirmed that the Head of Household is unable to have utilities turned on in his/her name. If denied for this reason the applicant will be offered the option of returning to the Waiting List.

In calculating a utility allowance schedule, the VBDHNP will utilize an industry standard software approved and acceptable to the Department of Housing and Urban Development.



Chapter 7
VERIFICATION PROCEDURES

24 CFR Part 5, Subparts B, D, E, F and H, 24 CFR 5.617; 24 CFR 982.158]

INTRODUCTION

HUD regulations require that the factors of eligibility and Total Tenant Payment/Family Share be verified by VBDHNP. VBDHNP staff will obtain written verification from independent sources whenever possible and will document tenant files whenever third party verifications are not possible as to why third party verification was impossible to obtain.

Applicants and program participants must provide true and complete information to VBDHNP whenever information is requested. VBDHNP's verification requirements are designed to maintain program integrity. This chapter explains VBDHNP's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in family composition. VBDHNP will obtain proper authorization from the family before requesting information from independent sources.

A. METHODS OF VERIFICATION AND TIME ALLOWED [24 CFR 982.516]

VBDHNP will verify information through the four methods of verification acceptable to HUD in the following order:

1. Up-Front Income Verification (UIV) via the Enterprise Income Verification (EIV) system
2. Third-Party Written
3. Third-Party Oral
4. Review of Documents
5. Certification/Self-Declaration

VBDHNP will allow two weeks for return of third-party verifications before going to the next method. VBDHNP will document the file as to why third party written verification was not used.

For applicants and participants, verifications are valid for 60 days from date of receipt.

Up-Front Income Verification

Final rule dated January 27, 2009 revises HUD's public and assisted housing program regulations to implement the upfront income verification (UIV) process and to require the use of HUD's Enterprise Income Verification (EIV) system by public housing agencies (PHAs), and multifamily housing owners and management agents (O/As), when verifying the employment and income of program participants at the time of all reexaminations or re-certifications.

Up-Front Income Verification (UIV) is defined as direct electronic or on-line access to income information of applicants or participants in the HCV program. This access may be provided by local, state, or federal government agencies or their contractual representatives.

Method procedures are:

- (1) UIV documentation is obtained through electronic or on-line access.
- (2) The applicant/participant provides income documentation, such as pay stubs, employer payment records, or other forms of documentation.

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- (3) A comparison of the UIV and applicant/participant documentation is made:
- (a) If the difference is less than \$2400 annually, then the UIV documentation is considered the verified income for subsidy determination purposes. The applicant/customer will be informed of the determination to use UIV and will be afforded the opportunity to dispute the UIV amount. Any disputes will be resolved through third party verification.
 - (b) If the difference is equal to or more than \$200 Dollars per month, or \$2400 annually, [HUD Guidelines for Projecting Annual Income When UIV Data is Available-HUD website, April 2004], then the required next verification procedures is third party.

Applicant/participant supplied documentation must be current and include one month verification of earnings. If income fluctuates, at least three (3) months of income verification must be submitted. For example, an applicant/participant who is working and is compensated every two weeks must provide both consecutive pay stubs covering four weeks (or one month) of working income. If the difference between pay checks is greater than \$25, income will be considered fluctuating, and VBDHNP will request at least 3 months of income verification to determine average monthly income.

Participants who fail to bring in income documentation at their annual reexamination appointment will be subject to suspension of their voucher subsidy in accordance with Chapter 15, Denial, Suspension, or Termination of Assistance, of this administrative plan.

Third-Party Written Verification

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

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

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

VBDHNP will accept verifications in the form of computerized printouts delivered by the family from the following agencies:

- ❖ Social Security Administration
- ❖ Veterans Administration
- ❖ Welfare Assistance
- ❖ Unemployment Compensation Board
- ❖ City or County Courts
- ❖ Child Support Agencies

- ❖ Internal Revenue Service or state/local revenue agencies.

Third-Party Oral Verification

Oral third-party verification will be used when written third-party verification is delayed or not possible. When third-party oral verification is used, staff will be required to note in the customer notes screen the person contacted, the date of the conversation, the facts provided, and the telephone number of the contact. If provided by telephone, VBDHNP must originate the call requesting oral third-party verification. If oral third party verification is not available, VBDHNP will compare the information to any documents provided by the Family.

Review of Documents

Any document used for verification must be the original (not photocopies) and generally must be dated within 60 calendar days of the date they are provided to the HA. The documents must not be damaged, altered or in any way illegible.

Print-outs from web pages are considered original documents.

The VBDHNP staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed/received.

Any family self-certifications must be made in a format acceptable to the HA and must be signed in the presence of a HA representative or HA notary public.

In the event that third-party written or oral verification is unavailable, or the information has not been verified by the third party within two weeks, VBDHNP will document the customer notes screen accordingly and utilize documents provided by the family as the primary source if the documents provide complete information

All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail. Documentation will be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

All such documents will be photocopied and retained in the applicant file. In cases where documents are viewed which cannot be photocopied, staff viewing the document will note in the customer notes screen the date, place, contact, contact phone number, and type of document viewed.

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

- * Printed wage stubs

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- * Computer print-outs from the employer
- * Signed letters (provided that the information is confirmed by phone)
- * Other documents noted in this Chapter as acceptable verification

VBDHNP will not accept photo copies.

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

VBDHNP will delay the processing of an application pending proper verification

Self-Certification/Self-Declaration

When verification cannot be made by third-party verification or review of documents, families will be required to submit a self-certification.

Self-certification means a notarized statement/affidavit/certification/statement under penalty of perjury and must be witnessed.

B. RELEASE OF INFORMATION [24 CFR 5.230]

Adult family members will be required to sign the HUD 9886 Release of Information/Privacy Act form.

In addition, family members will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information/Privacy Act Notice, such as the VBDHNP Family Obligations form.

Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance because it is a family obligation to supply any information and to sign consent forms requested by VBDHNP or HUD.

C. COMPUTER MATCHING

For some time, HUD has conducted a computer matching initiative to independently verify resident income. HUD can access income information and compare it to information submitted by VBDHNP on the 50058 form. HUD can disclose Social Security information to VBDHNP, but is precluded by law from disclosing Federal tax return data to VBDHNP. If HUD receives information from Federal tax return data indicating a discrepancy in the income reported by the family, HUD will notify the family and VBDHNP of the discrepancy. The family is required to disclose this information to VBDHNP (24 CFR 5.240). HUD's letter to the family will also

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notify the family that HUD has notified VBDHNP in writing that the family has been advised to contact VBDHNP. HUD will send VBDHNP a list of families who have received "income discrepancy" letters.

Within ten days of VBDHNP receiving notification from HUD that a family has been sent an "income discrepancy" letter, VBDHNP will contact the tenant by registered letter asking the family to promptly furnish any letter or other notice by HUD concerning the amount or verification of family income.

When the family provides the required information, VBDHNP will verify the accuracy of the income information received from the family, review VBDHNP's interim recertification policy, will identify unreported income, will charge retroactive rent as appropriate, and change the amount of rent or terminate assistance, as appropriate, based on the information.

If there is rent owed to VBDHNP, the family will be warned in writing concerning the reporting of all income to VBDHNP, and will be directed to contact their Housing Specialist to review their case and income.

If family fails to respond to VBDHNP within 10 days of mailing the certified letter, VBDHNP will send a second certified letter to the head of household, warning of the consequences if the family failure to contact VBDHNP within 10 days of the letter date.

If the family fails to respond to the second certified letter, VBDHNP will immediately suspend the family's voucher subsidy and send a third certified letter requesting response with ten days of the letter date and advising the tenant that failure to respond will result in termination from the program.

If the family fails to respond to the third certified letter, the family will be terminated from the program.

If the family claims a letter from HUD was not received, VBDHNP will provide a copy of the letter received from HUD.

If tenant does receive a discrepancy letter from HUD and notifies VBDHNP of the same:

- VBDHNP will set up a meeting with the family.
- If the family fails to attend the meeting, VBDHNP will reschedule the meeting.
- If the family fails to attend the second meeting, VBDHNP will send a termination warning.
- The family must bring the original HUD discrepancy letter to VBDHNP.
- If tenant disagrees with the Federal tax data contained in the HUD discrepancy letter, VBDHNP will ask the tenant to provide documented proof that the tax data is incorrect.
- If the tenant does not provide documented proof, VBDHNP will obtain proof to verify the Federal tax data using third party verification.

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D. ITEMS TO BE VERIFIED [24 CFR 982.516]

- All income not specifically excluded by the regulations.
- Full-time student status including High School students who are 18 or over.
- Current assets including assets disposed of for less than fair market value in preceding two years.
- Child care expense where it allows an adult family member to be employed, or to actively seek work, or to further his/her education.
- Total medical expenses of all family members in households whose head or spouse is elderly or disabled.
- Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family, which allow an adult family member to be employed.
- Disability for determination of preferences, allowances, or deductions.
- U.S. citizenship/eligible immigrant status
- Social security numbers for all family members over 6 years of age or older who have been issued a social security number.
- "Preference" status
- Familial/Marital status when needed for head or spouse definition.
- Verification of Reduction in Benefits for Noncompliance:

VBDHNP will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance before denying the family's request for rent reduction.

E. VERIFICATION OF INCOME [24 CFR 982.516]

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

Employment Income

- Verification forms request the employer to specify the:
 - Dates of employment
 - Amount and frequency of pay
 - Date of the last pay increase
 - Likelihood of change of employment status and effective date of any known salary increase during the next 12 months
 - Year to date earnings
 - Estimated income from overtime, tips, bonus pay expected during next 12 months

Acceptable methods of verification include, in this order:

1. Employment verification form completed by the employer.
2. Six check stubs or earning statements, which indicate the employee's gross pay, frequency of pay or year to date earnings.

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3. W-2 forms plus income tax return forms.
4. Income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities

Applicants and program participants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income.

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

Where doubt regarding income exists, a referral to IRS for confirmation will be made on a case-by-case basis.

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

Acceptable methods of verification include, in this order:

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

Unemployment Compensation

Acceptable methods of verification include, in this order:

1. Verification form completed by the unemployment compensation agency.
2. Computer report electronically obtained or in hard copy, from unemployment office stating payment dates and amounts.

Welfare Payments, General Assistance, and/or Tenant Match Payments Food Stamps

Acceptable methods of verification include, in this order:

1. Written statement from payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next 12 months.
2. VBDHNP verification form completed by payment provider.
3. Computer-generated Notice of Action.
4. Computer-generated list of recipients from Social Services Department.

Alimony or Child Support Payments

Acceptable methods of verification include, in this order:

1. Verification from the Department of Child Support Enforcement.
2. Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
3. A notarized letter from the person paying the support.

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4. Copy of latest check and/or payment stubs from Court Trustee. VBDHNP must record the date, amount, and number of the check.
5. Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If payments are irregular, the family must provide one of the following:

- * A copy of the separation or settlement agreement or a divorce decree stating the amount and type of support and payment schedules.
- * A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement.
- * A notarized affidavit from the family indicating the amount(s) received.
- * A welfare notice of action showing amounts received by the welfare agency for child support.
- * A written statement from an attorney certifying that a collection or enforcement action has been filed.

Net Income from a Business

In order to verify the net income from a business, VBDHNP will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months.

Acceptable methods of verification include:

1. IRS Form 1040, including:
 - Schedule C (Small Business)
 - Schedule E (Rental Property Income)
 - Schedule F (Farm Income)

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

2. Audited or unaudited financial statement(s) of the business.
3. Documents such as manifests, appointment books, cash books, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.
4. Family's self-certification as to net income realized from the business during previous years.

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Child Care Business

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

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

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

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

Recurring Gifts

The family must complete our Certification which captures financial assistance received and which contains the following information:

The person who provides the gifts

The value of the gifts

The regularity (dates) of the gifts

The purpose of the gifts

Zero Earned Income Status

Families claiming to have no earned income will be required to report to the VBDHNP office on a monthly basis and execute Zero Income verification forms which include completing a Certification of Family Responsibility which certifies how rent and other expenses are being paid. Families will also be required to report any forms of unearned income being received such as unemployment benefits, TANF, SSI, etc.

VBDHNP will review EIV information received with the tenant.

VBDHNP will request information from the State Unemployment Commission

VBDHNP will run a credit report if information is received that indicates the family has an unreported income source.

VBDHNP will require the family to complete a zero income checklist.

Full-time Student Status

Only the first \$480 of the earned income of full time students, other than head, co-head, or spouse, will be counted towards family income.

Financial aid, scholarships, and grants are not counted toward family income.

Verification of full time student status includes:

- ❖ Written verification captured on a VBDHNP Student Verification form completed by the registrar's office or other school official;
- ❖ School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

F. INCOME FROM ASSETS [24 CFR 982.516]

Financial Institutions Verification Cost Effectiveness

Some financial institutions charge a substantial fee for providing account records. These fees plus the associated processing costs incurred by VBDHNP to obtain these records may exceed the actual asset value to be applied in calculating the family's asset. For example, a financial institution may charge \$35 dollars to verify a checking account balance of \$20.00; a small account balance will not affect the Total Tenant Payment (TTP) for the family. VBDHNP will determine on a case by case basis whether the cost of obtaining financial account verification is not effective when compared to the TTP. In such cases, VBDHNP will utilize tenant supplied documents as verification and document the decision not to request a higher level of verification due to cost effectiveness reasons.

Savings Account Interest Income and Dividends

Acceptable methods of verification include, in this order:

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

Interest Income from Mortgages or Similar Arrangements

Acceptable methods of verification include, in this order:

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

Net Rental Income from Property Owned by Family

Acceptable methods of verification include, in this order:

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

G. VERIFICATION OF ASSETS

Family Assets

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

Acceptable verification may include any of the following:

- ❖ Verification forms, letters, or documents from a financial institution or broker.
- ❖ Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
- ❖ Quotes from a stock broker or realty agent as to net amount family would receive if they liquidated securities or real estate.
- ❖ Real estate tax statements if the approximate current market value can be deduced from assessment.
- ❖ Financial statements for business assets.
- ❖ Copies of closing documents showing the selling price and the distribution of the sales proceeds.
- ❖ Appraisals of personal property held as an investment.
- ❖ Family's self-certification describing assets or cash held at the family's home or in safe deposit boxes.

Assets Disposed of for Less than Fair Market Value (FMV) During Two Years Preceding Effective Date of Certification or Recertification

For all Certifications and Re-certifications, VBDHNP will obtain the Family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or re-certification.

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If the family certifies that they have disposed of assets for less than fair market value, verification [is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.

H. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME
[24 CFR 982.516]

Child Care Expenses

Written verification from the person who receives the payments is required. If the child care provider is an individual, s/he must provide a statement of the amount they are charging the family for their services.

Verifications must specify the child care provider's name, address, telephone number, tax identification or social security number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.

Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

Written verification from absent parent, if they are responsible for paying the child care expense.

Medical Expenses

Families who claim medical expenses will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. All expense claims will be verified by one or more of the methods listed below:

- ❖ Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.
 - ❖ Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
 - ❖ Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 months. A computer printout will be accepted.
- For attendant care:
- ❖ A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes.
 - ❖ Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.

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- ❖ Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.
- ❖ Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.
- ❖ Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. VBDHNP may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one time, nonrecurring expenses from the previous year.

VBDHNP will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

Assistance to Persons with Disabilities [24 CFR 5.611(c)]

In All Cases:

- ❖ Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.
- ❖ Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

Attendant Care:

- ❖ Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided.
- ❖ Certification of family and attendant and/or copies of canceled checks family used to make payments.

Auxiliary Apparatus:

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

I. VERIFYING NON-FINANCIAL FACTORS [24 CFR 5.617(b)(2)]

Verification of Legal Identity

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

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

- * Certificate of Birth, naturalization papers

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- * Church issued baptismal certificate
- * Current, valid Driver's license
- * U.S. military discharge (DD 214)
- * U.S. passport
- * Voter's registration
- * Company/agency Identification Card
- * Department of Motor Vehicles Identification Card
- * Hospital records

Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:

- * Certificate of Birth
- * Adoption papers
- * Custody agreement
- * Health and Human Services ID
- * School records

If none of these documents can be provided, a third party who knows the person may, at VBDHNP's discretion, provide a sworn statement as to their identity.

Verification of Marital Status

- Verification of divorce status will be a certified copy of the divorce decree, signed by a Court Officer.
- Verification of a separation may be a copy of court-ordered maintenance or other records.
- Verification of marriage status is a marriage certificate.

Familial Relationships

Certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide verification.

The following verifications will always be required if applicable:

- * Verification of relationship:
- * Official identification showing names
- * Birth Certificates
- * Baptismal certificates
- * Verification of guardianship is:
 - * Court-ordered assignment
 - * Affidavit of parent
 - * Verification from social services agency
 - * School records

Verification of Permanent Absence of Family Member

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

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- ❖ Husband or wife institutes divorce action.
- ❖ Husband or wife institutes legal separation.
- ❖ Order of protection/restraining order obtained by one family member against another.
- ❖ Proof of another home address, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement, if available.
- ❖ Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.
- ❖ A utility bill
- ❖ New driver's license
- ❖ Lease

If the adult family member is incarcerated, a document from the Court or correctional facility should be obtained stating how long they will be incarcerated.

If no other proof can be provided, VBDHNP will accept a self-certification from the head of household or the spouse or co-head, if the head is the absent member.

Verification of Change in Family Composition

VBDHNP may verify changes in family composition (either reported or unreported) [through letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school or DMV records, and other sources].

Verification of Disability

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7) or verified *in writing* by an appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist, or licensed social worker, or a professional competent to render the opinion and knowledgeable about the person's situation.

Verification of Citizenship/Eligible Immigrant Status [24 CFR 5.508, 5.510, 5.512, 5.514]

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

Citizens or Nationals of the United States are required to sign a declaration under penalty of perjury.

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VBDHNP will require citizens to provide documentation of citizenship:

- Acceptable documentation will include at least one of the following original documents:
- United States birth certificate
- United States passport
- Resident alien/registration card
- Social security card
- Other appropriate documentation as determined by VBDHNP
- Eligible immigrants aged 62 and over are required to sign a declaration of eligible immigration status and provide proof of age.

Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are copied front and back and returned to the family. VBDHNP verifies the status through the INS SAVE system. If this primary verification fails to verify status, VBDHNP must request within ten days that the INS conduct a manual search.

Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.

Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of ineligible members.

Failure to Provide

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

Time of Verification

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination.

VBDHNP will not provide assistance to any family prior to the affirmative establishment and verification of the eligibility of the individual or at least one member of the family.

VBDHNP will verify the U.S. citizenship/eligible immigration status of all participants no later than the date of the family's first annual reexamination following the enactment of the Quality Housing and Work Responsibility Act of 1998.

For family members added after other members have been verified, the verification occurs at the first re-certification after the new member moves in.

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Once verification has been completed for any covered program, it need not be repeated except that, in the case of port-in families, if the initiating PHA does not supply the documents, VBDHNP must conduct the determination.

Extensions of Time to Provide Documents

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

Acceptable Documents of Eligible Immigration

The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register:

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

A birth certificate is not acceptable verification of status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept five years.

VBDHNP will verify the eligibility of a family member at any time such eligibility is in question, without regard to the position of the family on the waiting list.

If VBDHNP determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside permanently in the family's unit, the family's assistance will be terminated for 1 month, unless the ineligible individual has already been considered in prorating the family's assistance.

Verification of Social Security Numbers [24 CFR 5.216]

Social security numbers must be provided as a condition of eligibility for all family members age six and over if they have been issued a number. Verification of social security numbers will be done through a social security card issued by the Social Security Administration.

Medical Need for Larger Unit

A written certification that a larger unit is necessary must be obtained from a reliable, knowledgeable professional.

J. VERIFICATION OF WAITING LIST PREFERENCES [24 CFR 982.207]

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Local Preferences

Insufficient Funding Preference: Families who have been terminated from the HCV program due to insufficient funding by VBDHNP will not need to verify their status. The VBDHNP will have in house documentation of the termination under these circumstances.

Disability Preference: This preference is available for families with a member who has a disability as defined in this Admin Plan. VBDHNP will require appropriate documentation from a knowledgeable professional. VBDHNP will not inquire as to the nature of the disability except as to verify necessity for accessible unit. Award letter or other proof of eligibility for Social Security Disability or Supplemental Security Income will be acceptable.

Homeless Preference: This preference is available for individuals who meet the definition of homeless as determined by the VBDHNP; Project Based Developer; or HUD. Verification of Homeless status should be secured on the Documentation of Homelessness form and completed by a professional associated with a third party agency i.e. Salvation Army Counselor, Case Worker, Clergy, etc.

Veterans Preference: Head of household is a Veteran of the Armed Forces, and who meets all other eligibility criteria.

Residency Preference: For families who live, work or have been hired to work in the jurisdiction of VBDHNP. In order to verify that an applicant is a resident, VBDHNP will accept the following documents: rent receipts, leases, utility bills, employer or agency records, school records, driver's licenses, voter's registration records, credit reports.

Working Preference: This preference is available for families with at least one member who is employed. VBDHNP will require a statement from the employer.

Families with Dependent Children under 18 yrs Old: This preference is available for families with dependent children under 18 years old. Birth certificates, school records custody papers are acceptable forms of verification.

Victims of Domestic Violence: Victims of domestic violence who claim this preference must submit verification by completing the Certification of Domestic Violence, Dating Violence, or Stalking form HUD 91066.

9/10/09

**SUPPORT FILE # 7
CITY OF VIRGINIA BEACH
2009 ANNUAL AGENCY PLAN:**

**CURRENT ADMINISTRATIVE PLAN
DETAILING POLICIES AND PROCEDURES
PART II**

ADOPTED 02/24/2009

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VOUCHER ISSUANCE AND BRIEFINGS
[24 CFR 982.301, 982.302]

INTRODUCTION

VBDHNP's goals and objectives are designed to assure that families selected to participate are equipped with the tools necessary to locate an acceptable housing unit. Families are provided sufficient knowledge and information regarding the program and how to achieve maximum benefit while complying with program requirements. When eligibility has been determined, VBDHNP will conduct a mandatory briefing to ensure that families know how the program works. The briefing will provide a broad description of owner and family responsibilities, VBDHNP procedures, and how to lease a unit. The family will also receive a briefing packet which provides more detailed information about the program including the benefits of moving outside areas of poverty and minority concentration. This chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for how changes in the family composition will be handled.

A. ISSUANCE OF VOUCHERS [24 CFR 982.204(d), 982.54(d)(2)]

When funding is available, VBDHNP will issue vouchers to applicants whose eligibility has been determined. The number of vouchers issued must ensure that VBDHNP stays as close as possible to 100 percent lease-up. VBDHNP performs a monthly calculation electronically to determine whether applications can be processed, the number of vouchers that can be issued, and to what extent VBDHNP can over-issue (issue more vouchers than the budget allows to achieve lease up).

VBDHNP may over-issue vouchers only to the extent necessary to meet leasing goals. All vouchers which are over-issued must be honored. If VBDHNP finds it is over-leased, it must adjust future issuance of vouchers in order not to exceed the ACC budget limitations over the fiscal year.

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

Initial Applicant and Incoming Portable Briefing

A full HUD-required briefing will be conducted for applicant families who are determined to be eligible for assistance. The briefings will be conducted in groups. Families who attend group briefings and still have the need for individual assistance will be referred to the Section 8 Coordinator.

Briefings will be conducted in English.

The purpose of the briefing is to explain how the program works and the documents in the voucher holder's packet to families so that they are fully informed about the program. This will enable them to utilize the program to their advantage, and it will prepare them to discuss it with potential owners and property managers.

VBDHNP will not issue a voucher to a family unless the household representative has attended a briefing and signed the voucher. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend two

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scheduled briefings, without prior notification and approval of VBDHNP, may be denied admission based on failure to supply information needed for certification and withdrawn from the waiting list. VBDHNP will conduct individual briefings for families with disabilities at their home, upon request by the family, if required for reasonable accommodation.

Briefing Packet [24 CFR 982.301(b)]

The documents and information provided in the briefing packet for the voucher program will comply with all HUD requirements. VBDHNP also includes other information and/or materials which are not required by HUD.

The family is provided with the following information and materials

- ❖ The term of the voucher, and VBDHNP policy for requesting extensions or suspensions of the voucher (referred to as tolling).
- ❖ A description of the method used to calculate the housing assistance payment for a family, including:
 - ❖ How VBDHNP determines the payment standard for a family;
 - ❖ How VBDHNP determines total tenant payment for a family and information on the payment standard and utility allowance schedule;
 - ❖ How VBDHNP determines the maximum allowable rent for an assisted unit including the rent reasonableness standard;
- ❖ Where the family may lease a unit; for families that qualifies to lease a unit outside VBDHNP jurisdiction under portability procedures, the information must include an explanation of how portability works.
- ❖ The HUD required tenancy addendum, which must be included in the lease;
- ❖ The HUD form 52517 the family must use to request approval of tenancy and a description of the procedure for requesting approval for a tenancy;
- ❖ A statement of VBDHNP policy on providing information about families to prospective owners;
- ❖ VBDHNP Subsidy Standards including when and how exceptions are made and how the voucher size relates to the unit size selected;
- ❖ The HUD brochure "A Good Place to Live" on how to select a unit that complies with HQS;
- ❖ The HUD pamphlet on lead-based paint entitled *Protect Your Family From Lead in Your Home*;
- ❖ Information on Federal, State and local equal opportunity laws, the HUD pamphlet *Fair Housing: It's Your Right*; a copy of the housing discrimination complaint form; and the phone number of the Chesapeake fair housing officer;

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- ❖ A list of landlords or other parties willing to lease to assisted families; the list includes landlords or other parties who are willing to lease units or help families find units outside areas of poverty or minority concentration.
- ❖ If the family includes a person with disabilities, notice that VBDHNP will provide a list of available accessible units known to VBDHNP;
- ❖ The family obligations under the voucher issued;
- ❖ The grounds on which VBDHNP may terminate assistance for a participant family because of family action or failure to act;
- ❖ VBDHNP informal hearing procedures including when VBDHNP is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.
- ❖ If portability is allowed under the voucher issuance, an information packet is provided that includes an explanation of how portability works, including a list of neighboring housing agencies with the name, address and telephone number of a portability contact person at each for use by families who move under portability;
- ❖ Procedures for notifying VBDHNP and/or HUD of program abuses such as side payments, extra charges, violations of tenant rights, and owner failure to repair;
- ❖ The family's rights as a tenant and a program participant;
- ❖ Requirements for reporting changes between annual re-certifications;
- ❖ The current Fair Market Rent;
- ❖ The VBDHNP utility allowance table;
- ❖ The Family Self Sufficiency program and its advantages.
- ❖ If the family includes a person with disabilities, VBDHNP will ensure compliance with CFR 8.6 to ensure effective communication.

Move Briefing

A move briefing will be held for families who will be reissued a voucher to move, and have given written notice of intent to vacate to their landlord and provided a copy to VBDHNP or whom have received a written notice to vacate from the landlord and provided a copy to VBDHNP. The written notice must be given in accordance with the terms of the landlord's lease but no less than 30 days before the lease expiration. A family must vacate the landlord's premises within the terms of the notice to vacate.

Outgoing Portability Briefing

When a family has qualified to port-out of Virginia Beach's jurisdiction, a briefing will be held to explain the outgoing portability requirements.

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Landlord/Owner Briefing

Group briefings are held for landlord/owners at least once a year; notification is provided by mail. Prospective owners are also welcome. The purpose of the briefing is to assure successful owner participation in the program. New owners joining the program after a group briefing will be provided an individual briefing. The briefing covers the responsibilities and roles of the three parties.

Signature Briefing

All new owners will be required to attend a signature briefing with the family head at VBDHNP's office to execute contracts and leases. Other owners will be encouraged to attend signature briefings to reduce future conflict between the owner and tenant. VBDHNP will provide details on the program rules and relationships and responsibilities of all parties.

C. ENCOURAGING PARTICIPATION IN AREAS WITHOUT LOW INCOME OR MINORITY CONCENTRATION

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

VBDHNP has areas of poverty and minority concentration clearly delineated in order to provide families with information and encouragement in seeking housing opportunities outside highly concentrated areas.

VBDHNP has maps that show various areas and information about facilities and services in neighboring areas such as schools, transportation, and supportive and social services.

VBDHNP will investigate and analyze when voucher holders are experiencing difficulties locating or obtaining housing units outside areas of concentration.

D. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION

VBDHNP will give participants a copy of HUD Form 903 to file a complaint.

E. SECURITY DEPOSIT REQUIREMENTS [24 CFR 982.313]

The owner is not required to but may collect a (one) security deposit from the tenant.

Security deposits charged by owners may not exceed those charged to unassisted tenants nor the maximum prescribed by State or local law.

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

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

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

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Expirations

The voucher is valid for a period of sixty calendar days from the date of issuance. The family must submit a Request for Approval of the Tenancy and Lease within the sixty-day period unless an extension has been granted by VBDHNP.

If the voucher has expired, and has not been extended by VBDHNP or expires after an extension, the family will be denied assistance. The family will not be entitled to a review or hearing. If the family is currently assisted, they may remain as a participant in their unit if there is an assisted lease/contract in effect.

Suspensions

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

At its discretion, VBDHNP may adopt a policy to suspend the housing choice voucher term if the family has submitted a Request for Tenancy Approval (RFTA) during the voucher term. "Suspension" means stopping the clock on a family's voucher term from the time a family submits the RFTA until the time the DHNP approves or denies the request [24 CFR 982.4]. The VBDHNP's determination not to suspend a voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

When a Request for Approval of Tenancy is received, VBDHNP will not deduct the number of days required to process the request from the 60 day term of the voucher.

Extensions

A family may request a written request for an extension of the voucher time period. All requests for extensions must be received prior to the expiration date of the voucher.

Extensions are permissible at the discretion of VBDHNP in 30 day increments. Special circumstances include but are not limited to events such as:

- Hospitalization or a family emergency for an extended period of time which has affected the family's ability to find a unit within the initial sixty-day period. Verification is required.
- VBDHNP is satisfied that the family has made a reasonable effort to locate a unit, including seeking the assistance of VBDHNP, throughout the initial sixty-day period.
- The family was prevented from finding a unit due to disability accessibility requirements or five or more bedroom unit requirement.

VBDHNP will extend the term up to 60 days from the end of the initial term if the family needs and request an extension as a reasonable accommodation to make the program accessible to and usable by a family member with a disability.

The Rental Housing Administrator, Program Coordinator or Director of Housing must approve voucher extensions.

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Assistance to Voucher Holders

Families who require additional assistance during their search may call VBDHNP Office to request assistance. Voucher holders will be notified at their briefing session that VBDHNP periodically updates the listing of available units and how the updated list may be obtained.

VBDHNP will assist families with negotiations with owners and provide other assistance related to the families' search for housing.

G. VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS
[24 CFR 982.315]

In those instances when a family assisted under the Section 8 program becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, the Administrator, Program Coordinator, or Director of Housing shall consider the following factors to determine which of the families will continue to be assisted:

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

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

If documentation is not provided, VBDHNP will terminate assistance on the basis of failure to provide information necessary for a recertification.

H. REMAINING MEMBER OF TENANT FAMILY - RETENTION OF VOUCHER
[24 CFR 982.315]

To be considered the remaining member of the tenant family, the person must have been previously approved by VBDHNP to be living in the unit.

A live-in attendant, by definition, is not a member of the family and will not be considered a remaining member of the Family.

In order for a minor child to continue to receive assistance as a remaining family member:

- * The court has to have awarded emancipated minor status to the minor, or

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* VBDHNP has to have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child(ren) for an indefinite period.

A reduction in family size may require a reduction in the voucher family unit size.



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INTRODUCTION [24 CFR 982.305(a)]

VBDHNP's program operations are designed to utilize available resources in a manner that is efficient and provides eligible families timely assistance based on the number of units that have been budgeted. VBDHNP's objectives include maximizing HUD funds by providing assistance to as many eligible families and for as many eligible units as the budget will allow.

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

A. REQUEST FOR TENANCY APPROVAL [24 CFR 982.302, 982.305(b)]

The Request for Tenancy Approval (RFTA) and a copy of the proposed lease, including the HUD prescribed tenancy addendum, must be submitted by the family during the term of the voucher. The family must submit the Request for Tenancy Approval in the form and manner required by VBDHNP.

The Request for Tenancy Approval must be fully completed and signed and dated by both the owner and voucher holder.

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

VBDHNP will review the proposed lease and the Request for Tenancy Approval documents to determine whether or not they are approvable. The request will be approved if:

The unit is an eligible type of housing

The unit meets HUD's Housing Quality Standards (and any additional criteria as identified in this Administrative Plan)

The rent is reasonable

The security deposit is approvable in accordance with any limitations in this plan.

The proposed lease complies with HUD and PHA requirements (See "Lease Review" section below).

The owner is approvable, and there are no conflicts of interest (See "Owner Disapproval" Chapter 16)

In addition to the above, at the time a family initially receives assistance in a unit (new admissions and moves), if the gross rent for the unit exceeds the applicable payment standard for

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the family, the family share of rent may not exceed 40 percent of the family monthly adjusted income (See "Owner Rents, Rent Reasonableness and Payment Standards" Chapter 11).

Disapproval of RFTA

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

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

B. ELIGIBLE UNITS [24CFR 982.353]

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the voucher program. Generally, a voucher-holder family may choose any available rental dwelling unit on the market in the DHNP's jurisdiction. This includes the dwelling unit they are currently occupying.

C. SPECIAL HOUSING TYPES [24 CFR 982 Subpart M]

HUD regulations permit, but do not require, the VBDHNP to permit families to use voucher assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. These special housing types include single room occupancy (SRO) housing, congregate housing, group home, shared housing, manufactured home space (where the family owns the manufactured home and leases only the space), cooperative housing and homeownership option.

(Please note: The Homeownership program is not being offered under the Housing Choice Voucher Program at the VBDHNP at this time)

Regulations do require the VBDHNP to permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

A family can own a rental unit but cannot reside in it while being assisted, except in the case when the tenant owns the mobile home and leases the pad. A family may lease in and have an interest in a cooperative housing development.

VBDHNP may not permit a voucher holder to lease a unit which is receiving project-based Section 8 assistance or any duplicative rental subsidies.

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D. LEASE REVIEW [24 CFR 982.308]

VBDHNP will review the lease, particularly noting the approvability of optional charges and compliance with regulations and state and local law. The tenant also must 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 on the Request For Tenancy Approval.

The family and owner must submit a standard form of lease used in the locality by the owner and that is generally used for other unassisted tenants in the premises. The terms and conditions of the lease must be consistent with state and local law.

The HUD prescribed tenancy addendum must be included in the lease word-for-word before the lease is executed.

Effective September 15, 2000, for structures built prior to 1978, the owner's lease must include the Lead Warning Statement and disclosure information required by 24 CFR 35.92(b).

The lease must provide that drug-related criminal activity engaged in by the tenant, any household member, or any guest on or near the premises, or any person under the tenant's control on the premises is grounds to terminate tenancy.

The lease must also provide that owner may evict family when the owner determines that:

Any household member is illegally using a drug; or

A pattern of illegal use of drug by any household member interferes with the health, safety or right to peaceful enjoyment of the premises by other residents.

The lease must provide that the following types of criminal activity by a "covered person" are grounds to terminate tenancy:

Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents (including property management staff residing on the premises);

Any criminal activity that threatens the health, safety or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises; or

Any violent criminal activity on or near the premises by a tenant, household member, or guest; or

Any violent criminal activity on the premises by any other person under the tenant's control.

The lease must provide that the owner may terminate tenancy if a tenant is:

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Fleeing to avoid prosecution or custody or confinement after conviction for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees (high misdemeanor in NJ); or

Violating a condition of probation or parole imposed under Federal or State law.

House Rules of the owner may be attached to the lease as an addendum, provided they are approved by VBDHNP to ensure they do not violate any fair housing provisions and do not conflict with the tenancy addendum.

Actions Before Initial Lease Term

All of the following must always be completed before the beginning of the initial term of the lease for a unit:

VBDHNP has inspected the unit and has determined that the unit satisfies the HQS;

VBDHNP has determined that the rent charged by the owner is reasonable;

The landlord and the tenant have executed the lease, including the HUD-prescribed tenancy addendum;

VBDHNP has approved leasing of the unit in accordance with program requirements;

When the gross rent exceeds the applicable payment standard for the family, VBDHNP must determine that the family share (total family contribution) will not be more than 40% of the family's monthly adjusted income.

E. 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.

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

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 VBDHNP.

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

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be a separate agreement, the family must have the option of not utilizing the service, appliance or other item.

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 VBDHNP. If agreements are entered into at a later date, they must be approved by VBDHNP and attached to the lease.

Pursuant to HUD's statement dated March 2008 regarding Fair Housing and Request for Modifications, VBDHNP will not approve separate agreements for modifications to the unit for persons with disabilities..

F. INITIAL INSPECTIONS [24 CFR 982.305(a) & (b)]

See "Housing Quality Standards and Inspections", Chapter 10 of this Administrative Plan.

G. RENT LIMITATIONS [24 CFR 982.507]

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

By accepting each monthly housing assistance payment from VBDHNP, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises. The owner is required to provide VBDHNP with information requested on rents charged by the owner on the premises or elsewhere.

At all times during the tenancy, the rent to owner may not be more than the most current reasonable rent as determined by VBDHNP.

H. DISAPPROVAL OF PROPOSED RENT [24 CFR 982.502]

In any of the programs, if the proposed gross rent is not reasonable, at the family's request, VBDHNP will negotiate with the owner to reduce the rent to a reasonable rent. If the rent is not affordable because the family share would be more than 40% of the family's monthly adjusted income, VBDHNP will negotiate with the owner to reduce the rent to an affordable rent for the family.

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If the rent can be approved after negotiations with the owner, VBDHNP will continue processing the Request for Tenancy Approval and lease. If the revised rent involves a change in the provision of utilities, a new Request for Tenancy Approval must be submitted by the owner.

If the owner does not agree on the rent to owner after VBDHNP has tried and failed to negotiate a revised rent, VBDHNP will inform the family and owner that the lease is disapproved.

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

In accordance with HUD requirements, VBDHNP will furnish prospective owners with the family's current address as shown in VBDHNP's records and, if known to VBDHNP, the name and address of the landlord at the family's current and prior address.

VBDHNP will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

VBDHNP will inform owners that it is the responsibility of the landlord to determine the suitability of prospective tenants. Owners will be encouraged to screen applicants for rent payment history, payment of utility bills, eviction history, respecting the rights of other residents, damage to units, drug-related criminal activity or other criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

A statement of VBDHNP's policy on release of information to prospective landlords will be included in the briefing packet which is provided to the family.

VBDHNP will furnish prospective owners with information about the family's rental history (if available), or any history of drug trafficking.. This information will be verbal but can be provided in writing if requested by the landlord; a copy of such information will be provided to the family if requested.

Only the HCV case manager may provide this information. VBDHNP's policy on providing information to owners is included in the briefing packet and will apply uniformly to all families and owners.

J. OWNER DISAPPROVAL [24 CFR 982.306]

See chapter on "Owner Disapproval and Restriction," Chapter 16.

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

When the family reports changes in factors that will affect the total family share prior to the effective date of the HAP contract at admission, the information will be verified and the total

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family share will be recalculated. If the family does not report any change, VBDHNP need not obtain new verifications before signing the HAP contract, even if verifications are more than 60 days old.

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

VBDHNP prepares the Housing Assistance Contract for execution. The family and the owner will execute the lease agreement, and the owner and VBDHNP will execute the HAP contract. Copies of the documents will be furnished to the parties who signed the respective documents. VBDHNP will retain a copy of all signed documents.

VBDHNP will make every effort to execute the HAP contract before the beginning of the lease term. The HAP contract must be executed no later than 60 calendar days from the beginning of the lease term.

The following VBDHNP representative(s) is/are authorized to execute a contract on behalf of VBDHNP: HCV Administrator, HCV Program Coordinator, Director of Housing, Housing Development Administrator, Housing Development Coordinator.

Owners must provide the current street and city address of their residence (not a Post Office box). The owner's current street and city address will be compared to the subsidized unit's address to ensure no conflict of interest or fraud.

Owners must provide an employer identification number or social security number; owners must also provide a picture ID or their social security card so a copy may be made for the owners file.

Owners must also submit proof of ownership of the property, such as a grant deed or tax bill, and a copy of the management agreement if the property is managed by a management agent.

The owner must provide a home telephone number and/or business number.

Unless their lease was effective prior to June 17, 1998, a family may not lease properties owned by a parent, child, grandparent, grandchild, sister or brother of any family member. VBDHNP will waive this restriction as a reasonable accommodation for a family member who is a person with a disability.

M. CHANGE IN OWNERSHIP

See "Owner Disapproval and Restriction," Chapter 16.

N. TEMPORARY MOVES DUE TO RENOVATIONS

When an owner's property is undergoing renovations that require the temporary move of the assisted family to another dwelling unit, the temporary move is treated as an initial move-in. All

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the requirements for an initial move-in must be met including but not limited to affordability checks, new lease and HAP contract, rent reasonableness, and a passed inspection.

Dependent upon the specific circumstances, the HCV Administrator, Coordinator or Director of Housing may waive certain requirements. For example, if the temporary move is for a short period of time, it may make sense to approve revision to the current lease stating that the current lease terms and HAP contract information is unchanged during the temporary move; thus, the affordability check, new HAP contract, new lease, and rent reasonableness is not required.

A passed inspection is always required prior to a family move in for any reason.

O. MONTH TO MONTH LEASE CHARGE

HUD regulations do not prohibit a month to month lease after the initial one year lease period. HUD regulations also do not prohibit a month to month lease charge and considers such charges as part of the gross rent.

When a family determines to extend their lease on a month to month basis, the family and owner must revise the current lease to include the month to month charge amount. This revised lease must be approved by the HCV case manager who will ensure that the month-to month charge is reasonable. Please refer to Chapter 11, Rent Reasonableness and Payment Standards for the methodology to determine a reasonable month-to month lease charge.

Chapter 10
HOUSING QUALITY STANDARDS AND INSPECTIONS
[24 CFR 982.401]

INTRODUCTION

The Virginia Beach Department of Housing and Neighborhood Preservation (VBDHNP) conducts inspections on all units enrolled in the Housing Choice Voucher (HCV) Program. These inspections are required at the time of initial occupancy and during the term of the lease. The inspections are based on the code standards of the Uniform Statewide Building Code, Part III, Virginia Maintenance Code, and the city's property maintenance codes. They apply to the structure and the exterior premises, as well. Newly leased units must pass the inspection before the beginning date of the assisted lease and Housing Assistance Payment (HAP) contract. Units already under contract will be inspected on an annual basis.

The Section Eight Management Assessment Program (SEMAP) requires that a random sampling of the units enrolled in the HCV Program be inspected to ensure consistency with the VBDHNP's inspection program guidelines. Quality Control Inspections will be conducted on a monthly basis by qualified personnel to meet this requirement.

This chapter describes VBDHNP's procedures for performing inspections, and sets the standard for the timeliness of repairs. It also describes the responsibilities of the property owner and client, and the consequences of non-compliance with code requirements for both parties.

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

1. Inspections are conducted by certified Code Inspectors employed by the DHNP.
2. It is recommended that utility service be active prior to the date of the inspection. If the utilities are not in service at the time of inspection, the inspector will not be able to conduct a thorough inspection of the unit. This will be noted on the inspection form.
3. If the client is responsible for supplying the stove and/or the refrigerator, the client must notify the Housing Specialist when the appliances are in the unit and an inspection will be scheduled and conducted.
4. The head of household must be present during all inspections. Landlords are strongly encouraged to be present during the inspections as well.
5. There are five types of inspections the VBDHNP will perform.
 - Initial/Move-in: Conducted upon receipt of Request for Tenancy Approval (RFTA).
 - Annual: Must be conducted within twelve months of the last annual inspection.
 - Special/Complaint: Conducted at request of the property owner, the HCV Program client, or a local city agency/third-party provider of services to the client.

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- Supervisory Quality Control: Monthly inspection of a random sampling.
- Potential Unsafe Condition: Inspection for potential life-safety violations.

A. INITIAL INSPECTION [24 CFR 982.401(a), 982.305(b) (2)]

1. Inspections will normally be scheduled and completed within fifteen working days of receipt of the RFTA, but no later than the twenty working day timeframe set by HUD regulations.
2. The Initial Inspection will be conducted to:
 - Determine if the unit and property meet code standards
 - Document the current condition of the unit
 - Document the information used for rent-reasonableness evaluations
3. If code violations are found, the Code Inspector will make note of the violations and leave an Inspection Checklist with the tenant, or if available, the owner, at the time of the inspection. The VBDHNP will notify the client and property owner/payee of the inspection results in writing as soon as administratively possible, but no later than 15 days after receipt of the RFTA. The VBDHNP will attempt to conduct initial inspections in a manner that is time efficient and convenient for all parties involved.

B. ANNUAL INSPECTIONS [24 CFR 982.405(a)]

The Code Inspectors conduct annual inspections approximately 90 days prior to the lease anniversary date.

1. The client must allow the inspectors to inspect the unit at reasonable times after giving reasonable notice. [24 CFR 982.551(d)]
2. Inspections will be conducted on business days only, between 8:00 am and 3:00 pm.
3. VBDHNP will notify the client and the landlord of the date of the inspection in writing no less than 90 days prior to the inspection.
4. If the client is unable to be present, they must contact the inspector within 10 days of receipt of the notification letter to reschedule the inspection.
5. If the family misses one inspection appointment, the inspector will leave a door hanger at the dwelling unit advising them of the missed inspection. The Housing Specialist must evaluate the reason why a tenant/owner misses repeated scheduled inspections and seek guidance from the Program Administrator, or Program Coordinator prior to initiating termination actions.
6. If code violations are found, the unit fails inspection. A notice of violation is issued to all parties

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parties involved and a suitable time period is given for correction. The responsible party must correct all code violations within the time period specified in order to continue with the HCV Program.

C. SPECIAL/COMPLAINT INSPECTIONS [24 CFR 982.405(c)]

1. If at any time the client or property owner feels that potential code violations exist, they may notify the VBDHNP and request a special inspection. The DHNP will conduct an inspection within 2 working days. Inspections of unsafe conditions will be conducted within 24 hours in most cases.
2. The VBDHNP may also conduct a special inspection based on information from a local city agency or from a third party provider of services to the client.
3. The VBDHNP will inspect the items which were reported and may note additional violations at the time of inspection.

D. SUPERVISORY QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b)]

1. Quality Control inspections will be performed by a Code Supervisor on a percentage of the units enrolled in the HCV Program. These inspections are required under SEMAP.
2. The purpose of Quality Control inspections is to ensure that each inspector is conducting accurate and complete inspections, and to confirm consistent application of the code.
3. The random sampling of files will include a cross-section of neighborhoods and a cross-section of inspectors.

E. UNSAFE CONDITION INSPECTIONS [PIH Notice 2006-08 Exigent Health and Safety Deficiency]

1. Upon confirmation of an unsafe condition, the inspector issues a notice of violation giving 24 hours for correction of the potential life-safety issue(s).
2. If prompt corrective action is not taken by the responsible party, units are posted unsafe and condemned. The unit cannot be occupied until the inspector confirms compliance with the notice of violation.

F. ACCEPTABILITY CRITERIA AND EXCEPTIONS [24 CFR 982.401(4) (A)]

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1. The VBDHNP adheres to the acceptability criteria in the program regulations and has adopted the local codes described below that exceed the performance requirements.
 - Uniform Statewide Building Code, Part III, The Virginia Maintenance Code and the City's Property Maintenance Codes

G. INSPECTION AND ENFORCEMENT POLICIES AND PROCEDURES

1. Inspection Notification

a) Initial inspections cannot be scheduled until the following are completed:

- The Request for Tenancy Approval (RFTA) is fully completed and signed by the landlord and client.
- An unsigned copy of the landlord's lease must be attached to the RFTA.
- The Housing Specialist has determined the dwelling unit is affordable for the family.
- The Housing Specialist has approved the RFTA and has determined that the lease is within HUD and Virginia Tenant/Landlord regulations.
- The Housing Specialist will schedule the inspection and send both the owner and resident the notice of the inspection appointment. Inspections will normally be scheduled and completed within fifteen (15) working days of receipt of the RFTA.

b) Annual Inspections

- An initial letter of notification will be mailed to both the client and landlord no less than 120 days prior to the inspection date. VBDHNP Specialist will insure inspections have been scheduled, or document attempt was made by no later than 110 days. The notification letter will include information about the consequences of a failing inspection and not bringing the unit up to code within the allotted time.
- All initial renewal inspections must be completed no later than 90 days before renewal date. If unit does not pass initial inspection, violation notice should be issued, and re-inspections scheduled.
- 60 days prior to re-exam date all re-inspections should have occurred; Any request for extensions by the owner should be submitted in writing, and granted in writing; If unit

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fails and an extension is issued, extension is issued for 30 day maximum summons will not be issued for another 30 days; Extension notice informs all, that a 30 day notice will be issued to terminate the HAP contract if unit fails inspection after extension. If unit fails and no extension is issued, abatement of rent starts; If unit fails and an extension was issued, rent will continue to be paid for final 30 days.

c) Special Inspections

- Special Inspections will be scheduled within 48 hours.

2. Inspection Results

- a) If any code violations are found, the inspector will leave an Inspection Checklist noting the violations with the tenant once the inspection is complete. At this time, the property owner and/or tenants are notified of the potential re-inspection date and encouraged to contact the inspector to schedule an inspection if the repairs are completed prior to the set deadline.
- b) A notice of violation is processed and mailed to the property owner, the payee, and the tenant.
- c) A copy of the inspection report is given to the Housing Specialist who notifies the client of the inspection results.
- d) In no case should the re-inspection be longer than 30 days from the date of the initial inspection. A shorter time period will be given in cases where unsafe conditions are present.

3. Failed Inspection Timeline

a) Annual Inspection Failure

- Unsafe Condition Present - **24 hours** given for compliance
- Minor Code Violations Present - **Thirty (30)** calendar days given for compliance

b) First Re-Inspection Failure

- HAP payments to the landlord will be abated and/or client benefits will be suspended on the first day after the failed re-inspection.
- Abatement and/or suspension will continue until the unit is in full compliance.

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- Tenant will be offered the option to move, and given assistance in finding another unit to occupy.

c) Second Re-Inspection Failure

(Property owner/Landlord Responsible)

- HAP contract terminated if violations continue for 60 days after the initial inspection.
- The client will be issued a move voucher.
- The dwelling unit will be removed from the HCV Program

(HCV Client Responsible)

- HCV benefits will be terminated on the date of failure.
- HCV client may request a hearing by contacting their Housing Specialist

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Inspection Timeline for HCV Renewals – Effective January 1, 2009		
Days Before Contract Renewal Date (These are "no later than" dates)	Code Enforcement	Housing Specialist
120	Mail Renewal Package and include notice with inspection timeline and consequences	
110		Tenant calls to schedule inspection, or Specialist initiates contact and request tenants to schedule inspections
90	Deadline for first inspection. All inspections should have occurred by now; All notices of violations should have been issued; All re-inspections of failed properties should be re-scheduled at the time of initial inspection	Specialists should track and insure inspection of unit occurs before 90 days;
60	All re-inspections should have occurred; Any request for extensions by the owner should be submitted in writing, and granted in writing; If unit fails and an extension is issued, extension is issued for 30 day maximum summons will not be issued for another 30 days; Extension notice informs all a 30 day notice will be issued to the owner stating the HAP contract will be terminated if unit fails inspection after extension.	<ol style="list-style-type: none"> 1) If unit fails and no extension is issued, abatement of rent starts 2) If unit fails and an extension was issued, rent will continue to be paid for another 30 days.
30	2 nd re-inspection for all failed units that requested extensions If unit failed, Court action initiated and summonses are issued to responsible parties.	<ol style="list-style-type: none"> 1) If unit passes, rent will continue to be paid for the balance of the current term and for the new term; 2) If unit failed, 30 day notice to owner HAP contract will be terminated.
0 Days (Renewal Date)	All units should be compliant.	HAP contracts are terminated for non-compliant units effective this day.

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Chapter 11

OWNER RENTS, RENT REASONABLENESS, AND PAYMENT STANDARDS [24 CFR 982.502, 982.503, 982.504, 982.505, 982.507]

INTRODUCTION

The policies in this chapter reflect the amendments to the HUD regulations, which were implemented by the Quality Housing and Work Responsibility Act of 1998 for the Section 8 Tenant-Based Assistance Program. These amendments became effective on October 1, 1999, which is referred to as the "merger date". These amendments complete the merging of the Section 8 Certificate and Voucher Programs into one program, called the Housing Choice Voucher Program.

All Section 8 participant families have been transitioned to the Housing Choice Voucher Program on or before October 1, 2001. Rent calculation methods for the Housing Choice Voucher Program are described at 24 CFR 982.505. The rent calculation formula is specific and is not subject to interpretation.

VBDHNP will determine rent reasonableness in accordance with 24 CFR 982.507(a). It is VBDHNP's responsibility to ensure that the rents charged by owners are reasonable based upon unassisted comparables in the rental market, using the criteria specified in 24 CFR 982.507(b).

This chapter explains VBDHNP's procedures for determination of rent-reasonableness, payments to owners, adjustments to the payment standards, and rent adjustments.

A. RENT TO OWNER IN THE HOUSING CHOICE VOUCHER PROGRAM

The only limitation on the amount of rent to owner is rent reasonableness (CFR 982.507). VBDHNP must demonstrate that the rent to owner is reasonable in comparison to rent for other comparable unassisted units.

In conducting the rent reasonable analysis, the VBDHNP will utilize an industry standard software approved and acceptable to the Department of Housing and Urban Development.

Another factor that needs to be accounted for with regard to the ability of a client to lease a particular unit is that at the time a 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) is if the gross rent for the unit is greater than the payment standard for the family, the family share may not exceed 40 percent of the family's adjusted monthly income (CFR 982.508).

Except as provided in paragraph (a)2 of 24 CFR 982.309, during the initial term of the lease, the owner/landlord may not raise the rent to tenant. The initial term must be no less than 12 months (one year).

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B. MAKING PAYMENTS TO OWNERS [24 CFR 982.451]

Upon approval of the Lease and execution of a Housing Assistance Payment Contract, the Rental Housing Administrator, Program Coordinator (Supervisor), or the Department Director will authorize the commencement of payments to the owner on behalf of the eligible family.

Payments are made on a monthly basis to owners. VBDHNP processes payments twice a month. In general, VBDHNP will attempt to ensure that the monthly checks are received by the landlords by the first of each month. If the paperwork is not completed and processed by the payment deadline for the first of the month, VBDHNP processes a second check run on or about the fifteenth of each month. The initial payments for leases that begin after the first of the month will be prorated. Payments are made in accordance with Federal regulations and the approved Contract for the unit. These payments will cover the difference between the contract rent (rent to owner) and the portion of rent payable by the family. All Payment requests must be signed by personnel authorized by the Director of the VBDHNP.

Payments are generated from the City of Virginia Beach Finance Department upon receipt of the check request/payment invoice from the VBDHNP. The check request/payment invoice details the payee, dollar amount of payment, type of payment, and the participant's name and address. The City's Finance Department assumes the responsibility for generating 1099's and for keeping the required documentation.

Excess Payments

The total rent paid by the tenant plus the VBDHNP housing assistance payment to the owner may not exceed the contract rent. In the event that the VBDHNP overpays an owner in error, the owner must immediately return any excess payment to VBDHNP.

Owners who do not return excess payments will be subject to penalties as outlined in the "Owner or Family Debts to VBDHNP" chapter 17 of this Administrative Plan.

Owners and tenants assisted by the Housing Choice Voucher program may not have unwritten financial agreements that exceed the rent to owner; such agreements are grounds for termination of the tenant's voucher and/or removal of the owner's property from the program.

Late Payments to Owners

It is a local business practice in the City of Virginia Beach for property managers and owners to charge tenants a reasonable late fee for rents not received by the owner or property manager by the due date, notwithstanding any grace period which is typically five days past the first of the month.

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Therefore, in keeping with generally accepted practices in the local housing market, VBDHNP must make housing assistance payments to the owner promptly and in accordance with the HAP contract.

It is VBDHNP's general practice to mail checks out two to three days prior to the first of each month to try to ensure the payments are received in a timely manner. VBDHNP will not be obligated to pay any late payment penalty if HUD determines that late payment is due to factors beyond VBDHNP's control, such as a delay in the receipt of program funds from HUD. VBDHNP will use administrative fee income or the administrative fee reserve as its only source for late payment penalty.

VBDHNP will not use any program funds for the payment of late fee penalties to the owner.

File Documentation for Exceptions

All VBDHNP Rental Housing Staff are required to provide documentation in any file that has an exceptional issue which affects payment.

C. RENT REASONABLENESS DETERMINATIONS [24 CFR 982.507]

VBDHNP will determine and document on a case-by-case basis that the approved rent is reasonable in comparison to rent for other comparable unassisted units in the market. This applies to all programs. Rent reasonableness will be conducted at initial move-ins and when a rent increase is requested by the landlord/owner.

VBDHNP will not approve a lease until VBDHNP determines that the initial rent to owner is a reasonable rent. VBDHNP must re-determine the reasonable rent before any increase in the rent to owner, and if there is a five percent decrease in the published FMR in effect 60 days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one year before the contract anniversary.

VBDHNP must re-determine rent reasonableness if directed by HUD and based on a need identified by VBDHNP's auditing system. VBDHNP may elect to re-determine rent reasonableness at any other time. At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or re-determined by VBDHNP

The owner will be advised that by accepting each monthly housing assistance payment s/he will be certifying that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises.

If requested, the owner must give VBDHNP information on rents charged by the owner for other units in the premises or elsewhere. VBDHNP will only request information on the owner's units elsewhere if VBDHNP has cause to demonstrate that the owner has a tendency to charge higher rents to program participants or if needed for rent reasonableness comparables.

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OWNER RENTS, RENT REASONABLENESS, AND PAYMENT STANDARDS [24 CFR 982.502, 982.503, 982.504, 982.505, 982.507]

The following items will be used for rent reasonableness documentation:

- Size (number of Bedrooms/square footage)
- Location
- Quality
- Amenities (bathrooms, dishwasher, air conditioning, etc.)
- Housing Services
- Age of unit
- Unit Type
- Maintenance
- Utilities

Documentation

Rent Reasonableness determinations in files should capture the HAPPY sheet showing the information on the unit being evaluated, and the Rent Reasonableness information from the Comp Spreadsheet

VBDHNP maintains rent reasonableness information in three places: the customer's folder, a back-up binder of Rent Reasonable determinations for different communities in the City, and a Spreadsheet updated continuously to reflect comps in various communities throughout the City. Landlords may request a copy of the rent reasonableness determination.

Rent Reasonableness Methodology

DHNP utilizes HUD regulations on reasonable rent (24 CFR 982.4, 24 CFR 982.54(d) (15), 982.158(f) (7) and 982.507). The DHNP method is to consider the location, size, type, quality and age of the units, and the amenities, maintenance and utilities provided by the owner in determining comparability and the reasonable rent. Rent reasonableness is conducted at every initial move-in, unit transfer, request for rent increase from the owner, or if there is a 5% or more decrease in the published FMR in effect 60 days before the HAP anniversary.

From our SEMAP Methodology guide.

The market areas for rent reasonableness are zip codes and/or census within VBDHNP's jurisdiction.

Owners may provide third party rent reasonableness information for VBDHNP consideration.

DECONCENTRATION

VBDHNP Rental Housing Staff will perform outreach to encourage owners of suitable units located outside low income or minority concentration areas to participate in the HCV Program. Outreach determinations will take into consideration local rental market conditions in the City of Virginia Beach.

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Outreach efforts may be conducted through landlord seminars, presentations to community group's civic leagues, and participation in local and regional training programs and conferences with organizations such as the Tidewater Multifamily Housing Counsel, of the Tidewater Builders Association and Hampton Roads Realtors Association. Additionally, newspaper notices may be published periodically to recruit new landlords for the program.

D. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM [24 CFR 982.503]

The Payment Standard is used to calculate the housing assistance payment for a family. In accordance with HUD regulation, and at VBDHNP's discretion, the Voucher Payment Standard amount is set by VBDHNP between 90 percent and 110 percent of the HUD published FMR. This is considered the basic range. VBDHNP reviews the appropriateness of the Payment Standard annually when the FMR is published. In determining whether a change is needed, VBDHNP will ensure that the Payment Standard is always within the range of 90 percent to 110 percent of the new FMR, unless an exception payment standard has been approved by HUD.

VBDHNP may approve a higher payment standard within the basic range, if required as a reasonable accommodation for a family that includes a person with disabilities.

E. ADJUSTMENTS TO PAYMENT STANDARDS [24 CFR 982.503]

Payment Standards may be adjusted, within HUD regulatory limitations, to increase Housing Assistance Payments in order to keep families' rents affordable. VBDHNP will not raise Payment Standards solely to make "high end" units available to Voucher holders. VBDHNP may use some or all of the measures below in making its determination whether an adjustment should be made to the Payment Standards.

Rent to Owner Increases

VBDHNP may review a sample of the units to determine how often owners are increasing rents and the average percent of increase by bedroom size.

Lowering of the Payment Standard

Lowering of the FMR may require an adjustment of the Payment Standard. Additionally, statistical analysis may reveal that the Payment Standard should be lowered. In any case, the Payment Standard will not be set below 90 percent of the FMR without authorization from HUD.

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Financial Feasibility

Before increasing the Payment Standard, VBDHNP may review the budget to determine the impact projected subsidy increases would have on funding available for the program and number of families served.

For this purpose, VBDHNP 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 VBDHNP for at least three years to document the analysis and findings to justify whether or not the Payment Standard was changed.

F. OWNER PAYMENT IN THE HOUSING CHOICE VOUCHER PROGRAM (24 CFR 982.308(g))

The owner is required to notify VBDHNP, in writing, at least sixty days before any change rent is scheduled to go into effect. Any requested increase in rent will be subject to rent reasonableness requirements. See 24 CFR 982.503.

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RECERTIFICATIONS/REEXAMINATIONS
[24 CFR 982.516]

INTRODUCTION

In accordance with HUD requirements, VBDHNP will reexamine the income and household composition of all families at least annually. Families will be provided accurate annual and interim rent adjustments. Recertifications and interim examinations will be processed in a manner that ensures families are given reasonable notice of rent increases. All annual activities will be coordinated in accordance with HUD regulations. It is a HUD requirement that families report all changes in household composition. This Chapter defines VBDHNP's policy for conducting annual recertifications and coordinating annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting.

A. ANNUAL ACTIVITIES [24 CFR 982.516, 982.405]

There are two activities VBDHNP must conduct on an annual basis. These activities will be coordinated whenever possible:

- Recertification of income and family composition
- HQS inspection

VBDHNP produces a monthly listing of units under contract to ensure that timely reviews of housing quality and factors related to total tenant payment/family share can be made.

Reexamination of the family's income and composition must be conducted at least annually.

Annual inspections: See "Housing Quality Standards and Inspections", Chapter 10.

Rent adjustments: See "Owner Rents, Rent Reasonableness and Payment Standards", Chapter 11.

B. ANNUAL RECERTIFICATION/REEXAMINATION [24 CFR 982.516]

Families are required to be re-certified/re-examined at least annually.

Income limits are not used as a test for continued eligibility at recertification

Moves Between Reexaminations

When families move to another dwelling unit, an annual recertification will be scheduled. The anniversary date will match the beginning date of the new lease.

Reexamination Notice to the Family

VBDHNP will maintain a reexamination tracking system and the household will be notified by mail of the date and time for their appointment at least 120 days in advance of the anniversary date. If requested as an accommodation by a person with a disability, VBDHNP will provide the notice in an accessible format. VBDHNP will also mail the notice to a third party, if requested as reasonable

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accommodation for a person with disabilities. These accommodations will be granted upon verification that they meet the need presented by the disability.

Completion of Annual Recertification

VBDHNP will have all recertifications for families completed before the anniversary date. This includes notifying the family and landlord of any changes in rent at least 30 days before the scheduled date of the change in the family's rent.

Persons with Disabilities

Persons with disabilities who are unable to come to VBDHNP's office will be granted an accommodation, if so requested, by conducting the interview at the person's home upon verification that the accommodation requested meets the need presented by the disability.

Collection of Information [24 CFR 982.516(f)]

VBDHNP has established appropriate recertification procedures necessary to ensure that the income data provided by families is complete and accurate.

A VBDHNP representative will interview the family and have the family complete and sign if necessary recertification forms. The Housing Specialist will then review the information with the family.

Requirements to Attend

All adult household family members will be required to attend the recertification briefing/ interview

Failure to Respond to Notification to Recertify

The family may call to request another appointment date no later than ten days prior to the interview.

If the family does not appear for the recertification interview, and has not rescheduled or made prior arrangements with VBDHNP, then the missed interview will be considered a violation of the family obligations. The VBDHNP will mail a second (2). If the head of household does not respond to the second notice, a termination notice to both the participant and the owner will be mailed. The termination notice must also inform the participant of his or her right to a hearing. **(HCV Guidebk Chptr 12-3)**

Exceptions to these policies may be made by the HCV Administrator, Coordinator or Director of Housing, if the family is able to document an emergency situation that prevented them from canceling or attending the appointment or if requested as a reasonable accommodation for a person with a disability.

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Documents Required From the Family [24 CFR 982.517a(2)]

In the notification letter to the family, VBDHNP will include instructions for the family to bring the following:

Documentation of all assets and income

Documentation of any deductions/allowances

Verification of Information

VBDHNP will follow the verification procedures and guidelines described in Chapter 7 this plan. Verifications for reexaminations must be no more than 60 days old on the re-exam effective date.

Tenant Rent Increases (HCV guidebk Chptr 12-6)

Increases are effective on the first day of the month after reasonable advance notice to the family. Reasonable notice is generally assumed to be at least 30 days from the first of the month.

If less than 10 days are remaining before the scheduled effective date of the annual recertification and increase in Tenant Pay, the tenant rent increase will be effective on the first of the month following the re-exam effective date.

Decreases in the family's share of the rent are effective on the first day of the month following the change. Tenant rent decreases do not require a 30 day notice.

Tenant Rent Decreases

If tenant rent decreases, it will be effective on the anniversary date, even if the notice is mailed less than thirty days before the scheduled effective date, as long as it is received prior to the effective date.

If the family causes a delay so that the processing of the reexamination is not complete by the anniversary date, rent change will be effective on the first day of the month following completion of the reexamination processing by VBDHNP.

C. REPORTING INTERIM CHANGES [24 CFR 982.516]

Program participants must report all changes in household composition within 5 days to VBDHNP. This includes additions due to birth, adoption and court-awarded custody. The family must obtain

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approval from V BDHNP prior to all other additions to the household.

If any new family member is added, family income must include any income of the new family member. VBDHNP will conduct an interim reexamination to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the first interim or regular recertification after moving into the unit.

Increases in Household Income

If the household reported no income on the last certification then all sources and amounts of income must be reported in writing. If the increase in income is not due to employment, the tenant has 10 days to report the change to the VBDHNP.

Increase in Income from Employment (See Policy and Procedure Update email from Director dated September 16, 2008 & email from J. Garnder dated Sept. 8, 2008)

Effective in November 2008, all households are required to notify us of any change in employment, or new employment within 5 days of the beginning date of the change. Households who do not comply with this policy within the first year of implementation will not be terminated.

After the 1st year of implementation, households who fail to notify the VBDHNP of the new or increased income from employment within the required timeframe will be mailed a 30 day advance notice of termination of their HCV subsidy.

If there is an increase in income resulting in a higher Tenant Rent, the change will be effective on the 1st day of the month 30 days after the change occurs.

Interim Reexamination Policy

VBDHNP will not conduct interim reexaminations when families have an increase in income from their current income sources. VBDHNP will conduct interim reexaminations when families have an increase of \$300 or more monthly from a new income source.

Decreases in Income

Participants must report a decrease in income and other changes in writing which would reduce the amount of tenant rent, such as an increase in allowances or deductions. VBDHNP must calculate the change if a decrease in income is reported. The change in tenant income will become effective on the first of the month following the decrease notification providing verification is received.

For tenant rent adjustments to be effective by the first of the next month, verifications must be received by the 15th of the month, prior to the effective month of the change. If verifications are not

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received timely, the rent will not be adjusted until the 1st of the second month after the change was reported. It is the participant's responsibility to assure the receipt of the required documentation.

VBDHNP Errors

If VBDHNP makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted, if necessary, to correct the error, but the family will not be charged retroactively. Decreases in rent will be retroactively applied, when applicable, retroactive to when the decrease for the change would have been effective if calculated correctly.

D. OTHER INTERIM REPORTING ISSUES

An interim reexamination does not affect the date of the annual recertification.

Any changes reported by participants other than those listed in this section will be noted in the file by the staff person but will not be processed between regularly-scheduled annual re-certifications.

E. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS [24 CFR 5.615]

VBDHNP will not reduce the family share of rent for families whose welfare assistance is reduced due to a "specified welfare benefit reduction," which is a reduction in benefits by the welfare agency specifically because of:

- Fraud in connection with the welfare program, or
- Noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

However, VBDHNP will reduce the rent if the welfare assistance reduction is a result of:

- The expiration of a lifetime time limit on receiving benefits, or
- A situation where the family has complied with welfare program requirements but cannot or has not obtained employment, or
- A situation where a family member has not complied with other welfare agency requirements.

Definition of Covered Family

A household that receives benefits for welfare or public assistance from a State or public agency program which requires, as a condition of eligibility to receive assistance, the participation of a family member in an economic self-sufficiency program.

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RECERTIFICATIONS/REEXAMINATIONS
[24 CFR 982.516]

Definition of "Imputed Welfare Income"

The amount of annual income, not actually received by a family, as a result of a specified welfare benefit reduction, that is included in the family's income for purposes of determining rent.

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

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

The family's annual income will include the imputed welfare income, as determined at the family's annual or interim reexamination, during the term of the welfare benefits reduction (as specified by the welfare agency).

The amount of imputed welfare income will be offset by the amount of additional income the family receives that commences after the sanction was imposed. When additional income from other sources is at least equal to the imputed welfare income, the imputed welfare income will be reduced to zero.

If the family was not an assisted resident when the welfare sanction began, imputed welfare income will not be included in annual income.

If the family claims the amount of imputed welfare income has been calculated incorrectly, the HCV Coordinator will review the calculation for accuracy. If the imputed welfare income amount is correct, VBDHNP will provide a written notice to the family that includes:

- A brief explanation of how the amount of imputed welfare income was determined;
- A statement that the family may request an informal hearing if they do not agree with VBDHNP determination.

If after the review the HCV Coordinator determines the calculation was incorrect, the imputed welfare income will be re-calculated, and an adjustment made to the tenant portion of rent.

Verification Before Denying a Request to Reduce Rent

VBDHNP will obtain written verification from the welfare agency stating that the family's benefits have been reduced due to fraud or noncompliance with welfare agency economic self-sufficiency or

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work activities requirements before denying the family's request for rent reduction.

VBDHNP will rely on the welfare agency's written notice to VBDHNP regarding welfare sanctions.

Cooperation Agreements [24 CFR 5.613]

VBDHNP has executed a Memorandum of Understanding with the local welfare agency to ensure timely and accurate verification of noncompliance.

F. NOTIFICATION OF RESULTS OF RECERTIFICATIONS [HUD Notice PIH 98-6]

The HUD Form 50058 will be completed and transmitted as required by HUD.

The Notice of Rent Change is mailed to the owner and the tenant. If the family disagrees with the rent adjustment, they may request an informal hearing.

G. CHANGES IN VOUCHER SIZE AS A RESULT OF FAMILY COMPOSITION CHANGES [24 CFR 982.516(c)]

(See "Subsidy Standards", Chapter 5.)

H. CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES

[24 CFR 5.518; cv5.520]

Under the Noncitizens Rule, "mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members.

The Noncitizens Rule was implemented on or after November 29, 1996, and mixed families shall receive prorated assistance as described in 24 CFR 5.520.

I. MISREPRESENTATION OF FAMILY CIRCUMSTANCES

If any participant deliberately misrepresents the information on which eligibility or tenant rent is established, VBDHNP may terminate assistance and may refer the family file/record to the proper authorities for appropriate disposition. (See Program Integrity, Addendum I.)



Chapter 13
MOVES WITH CONTINUED ASSISTANCE/PORTABILITY
[24 CFR 982.314, 982.353, 982.355(a)]

INTRODUCTION

HUD regulations permit families to move with continued assistance to another unit within VBDHNP's jurisdiction, or to a unit outside of VBDHNP's jurisdiction under portability procedures. The regulations also allow VBDHNP the discretion to develop policies which define any limitations or restrictions on moves. This chapter defines the procedures for moves, both within and outside of, VBDHNP's jurisdiction, and the policies for restriction and limitations on moves.

A. ALLOWABLE MOVES

A family may move to a new unit with continued assistance if they meet one or more of the following criteria:

- The assisted lease for the old unit has terminated because VBDHNP has terminated the HAP contract for owner breach, or the lease was terminated by mutual agreement of the owner and the family.
- The owner has given the family a notice to vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the family (unless assistance to the family will be terminated).
- The family has given proper notice of lease termination (and if the family has a right to terminate the lease on notice to owner).

B. RESTRICTIONS ON MOVES [24 CFR 982.314, 982.552(a)]

Families will not be permitted to move within VBDHNP's jurisdiction during the initial year of assisted occupancy.

Families will not be permitted to move outside VBDHNP's jurisdiction under portability procedures during the initial year of assisted occupancy.

Families will not be permitted to move more than once in a 12-month period.

VBDHNP may deny permission to move if there is insufficient funding for continued assistance. Moves within the City of Virginia Beach are allowed only if the new unit will result in a lower total tenant payment for the tenant.

VBDHNP will deny permission to move if:

- * The family has violated a family obligation.
- * The family owes VBDHNP money.

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The HCV Administrator, Program Coordinator or Director of VBDHNP may make exceptions to these restrictions if there is an emergency reason for the move over which the participant has no control.

C. PROCEDURE FOR MOVES [24 CFR 982.314]

Issuance of Voucher

Subject to the restrictions on moves, VBDHNP will issue the voucher to move immediately upon receiving a written move request from the family (see Notice Requirements below).

If the family does not locate a new unit, they may remain in the current unit so long as the owner permits.

The annual recertification date will be changed to coincide with the new lease-up date.

Notice Requirements

Briefing sessions emphasize the family's responsibility to give the owner and VBDHNP proper written notice of any intent to move.

The family must give the owner a written intent to vacate notice within the required number of days specified in the lease and must give a copy to VBDHNP at the same time. A family's failure to comply will be a breach of family obligations under the program.

Time of Contract Change

A move within the same building or project, or between buildings owned by the same owner, will be processed like any other move.

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

D. PORTABILITY [24 CFR 982.353]

Portability applies to families moving out of or into VBDHNP's jurisdiction within the United States and its territories.

E. OUTGOING PORTABILITY [24 CFR 982.353, 982.355]

Within the limitations of the regulations and this policy, a participant family has the right to receive tenant-based voucher assistance to lease a unit outside VBDHNP's jurisdiction, anywhere in the United States, in the jurisdiction of a PHA with a tenant-based program. When a

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[24 CFR 982.314, 982.353, 982.355(a)]

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

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

Restrictions on Portability

Applicants

If neither the head nor spouse had a domicile (legal residence) in VBDHNP's jurisdiction at the date of their initial application for assistance, the family will not be permitted to exercise portability upon initial issuance of a voucher unless the portability request is a reasonable accommodation for a disabled family,.

Participants

After an applicant has leased-up in the jurisdiction of the initial housing agency, they cannot exercise portability during the first year of assisted occupancy, except in the following circumstances.

- The request is a reasonable accommodation for a disabled family

VBDHNP will not permit families to exercise portability:

While operating under Insufficient Funding, if the receiving localities Payment Standards in effect are higher than VBDHNP's, and they refuse to absorb the voucher

- If the family is in violation of a family obligation.
- If the family owes money to VBDHNP.
- If the family has moved out of its assisted unit in violation of the lease.
- If the family is not income eligible for the receiving PHA's jurisdiction.

F. INCOMING PORTABILITY [24 CFR 982.354, 982.355]

Absorption or Billing

The VBDHNP is currently not absorbing any Housing Choice Vouchers from other jurisdictions

VBDHNP will accept a family with a valid voucher from another jurisdiction and bill the jurisdiction . If VBDHNP decides to accept the voucher and bill the sending jurisdiction, the family will be issued a "portable" voucher by VBDHNP. The term of the voucher will not expire before the expiration date of any initial PHA voucher. The family must submit a request for

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tenancy approval for an eligible unit to the receiving PHA during the term of the receiving PHA voucher. The initial PHA's voucher and the receiving PHA's policies to include occupancy, subsidy, and payment standards in affect will prevail.

VBDHNP will issue a "portability voucher" according to its own Subsidy Standards. If the family has a change in family composition which would change the voucher size, VBDHNP will change to the proper size based on its own Subsidy Standards.

VBDHNP will contact the initial or sending housing authority or agency and ask if the family is an Earned Income Disallowance (EID) family. If the family is an EID family, VBDHNP will request a written copy of the EID status.

VBDHNP will also contact the initial or sending housing Agency or agency and ask if the family is enrolled in the Family Self-Sufficiency (FSS) program. If the family is enrolled in the FSS program, VBDHNP will request the FSS record and a check for the FSS escrow amount, if any.

VBDHNP may grant voucher extensions in accordance with Chapter 8 of this plan. However, if the family decides not to lease-up in VBDHNP's jurisdiction, they must contact the initial PHA to request a change in the receiving PHA..

Income and Total Tenant Payment of Incoming Portables [982.353(d)]

As receiving PHA, VBDHNP will conduct a recertification interview but only verify the information provided if the documents are missing, or are over 60 days old, or if there has been a change in the family's circumstances.

If VBDHNP conducts a recertification of the family it will not cause a delay in the issuance of a voucher.

Requests for Tenancy Approval

A briefing will be mandatory for all portability families.

When the family submits a Request for Tenancy Approval, it will be processed using VBDHNP's policies.

If the family leases up successfully, VBDHNP will notify the initial PHA within ten days, and the billing process will commence.

VBDHNP will notify the initial PHA if the family fails to submit a request for tenancy approval for an eligible unit within the term of the voucher.

If VBDHNP denies assistance to the family, VBDHNP will notify the initial PHA within 10 days and the family will be offered a review or hearing.

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VBDHNP will notify the family of its responsibility to contact the initial PHA if the family wishes to move outside VBDHNP's jurisdiction under continued portability.

Regular Program Functions

VBDHNP will perform all program functions applicable to the tenant-based assistance program, such as:

Annual reexaminations of family income and composition;

Annual inspection of the unit; and

Interim examinations when requested or deemed necessary by VBDHNP

Terminations

VBDHNP, if billing, will notify the initial PHA in writing of any termination of assistance within five days of the termination. If an informal hearing is required and requested by the family, the hearing will be conducted by VBDHNP, using the regular hearing procedures in Chapter 18 of this plan. A copy of the hearing decision will be furnished to the initial PHA.

The initial PHA will be responsible for collecting amounts owed by the family for claims paid and for monitoring repayment. If the initial PHA notifies VBDHNP that the family is in arrears or the family has refused to sign a payment agreement, VBDHNP will terminate assistance to the family.

Required Documents

As receiving PHA, VBDHNP will require the documents listed on the HUD Portability Billing Form from the initial PHA.

Billing Procedures

As receiving PHA, VBDHNP will bill the initial PHA monthly for housing assistance payments, administrative fees, and special claims.

VBDHNP will notify the initial PHA of changes in subsidy amounts and will expect the initial PHA to notify VBDHNP of changes in the administrative fee amount to be billed.



Chapter 14
CONTRACT TERMINATIONS
[24 CFR 982.311, 982.314]

INTRODUCTION

The Housing Assistance Payments (HAP) contract is the contract between the owner and VBDHNP which defines the responsibilities of both parties. This chapter describes the circumstances under which the contract can be terminated by VBDHNP and the owner, and the policies and procedures for such terminations.

A. CONTRACT TERMINATION [24 CFR 982.311]

The term of the HAP contract is the same as the term of the lease. The contract between the owner and VBDHNP may be terminated by VBDHNP, or by the owner or tenant terminating the lease.

No future subsidy payments on behalf of the family will be made by VBDHNP to the owner after the month in which the contract is terminated. The owner must reimburse VBDHNP for any subsidies paid by VBDHNP for any period after the contract termination date.

If the family continues to occupy the unit after the Section 8 contract is terminated, the family is responsible for the total amount of rent due to the owner.

After a contract termination, if the family meets the criteria for a move with continued assistance, the family may lease-up in another unit. The contract for the new unit may begin during the month in which the family moved from the old unit.

B. TERMINATION BY THE FAMILY: MOVES [24 CFR 982.314(c)(2)]

Family termination of the lease must be in accordance with the terms of the lease.

C. TERMINATION OF TENANCY BY THE OWNER: EVICTIONS
[24 CFR 982.310, 982.455]

During the term of the lease, the owner may not terminate the tenancy except for the grounds stated in the HUD regulations.

If the owner wishes to terminate the lease, the owner must provide proper notice as stated in the lease.

During the term of the lease the owner may only evict for:

- Serious or repeated violations of the lease, including but not limited to failure to pay rent or other amounts due under the lease, or repeated violation of the terms and conditions of the lease;
- Violations of Federal, state or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises; or criminal activity by the

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[24 CFR 982.311, 982.314]

tenant, any member of the household, a guest or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents, or persons residing in the immediate vicinity of the premises or any drug-related criminal activity on or near the premises.

- Other good cause.

During the initial term of the lease, the owner may not terminate the tenancy for “other good cause” unless the owner is terminating the tenancy because of something the family did or failed to do (see 982.310)

Evidence of Criminal Activity

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a covered person if the owner determines they have engaged in the criminal activity regardless of arrest or conviction

Termination of Tenancy Decisions

If the law and regulation permit the owner to take an action but don't require action to be taken, the owner can decide whether to take the action. Relevant circumstances for consideration include:

- The seriousness of the offense
- The effect on the community
- The extent of participation by household members
- The effect on uninvolved household members
- The demand for assisted housing by families who will adhere to responsibilities
- The extent to which leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action
- The effect on the integrity of the program

Exclusion of culpable household member

The owner may require a tenant to exclude a household member in order to continue to reside in the assisted unit.

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CONTRACT TERMINATIONS
[24 CFR 982.311, 982.314]

Consideration of Rehabilitation

When determining whether to terminate the tenancy for illegal drug use or alcohol abuse, the owner may consider whether the member:

- Is no longer participating in a rehab program.
- Has successfully completed a supervised drug or alcohol rehab program
- Has otherwise been successfully rehabilitated

The owner may require the tenant to submit evidence of any of the three (above).

Actions of termination by the owner must be consistent with the fair housing and equal opportunities as stated in 24 CFR 5.105.

The owner must provide the tenant a written notice specifying the grounds for termination of tenancy, at or before the commencement of the eviction action. The notice may be included in, or may be combined with, any owner eviction notice to the tenant.

The owner eviction notice means a notice to vacate, or a complaint, or other initial pleading used under State or local law to commence an eviction action.

VBDHNP requires that the owner specify the section of the lease that has been violated and cite some or all of the ways in which the tenant has violated that section as documentation for VBDHNP's decision regarding termination of assistance.

Housing assistance payments are paid to the owner under the terms of the HAP contract. If the owner has begun eviction and the family continues to reside in the unit, VBDHNP must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant. If the action is finalized in court, the owner must provide VBDHNP with the documentation, including notice of the lock-out date.

VBDHNP must continue making housing assistance payments to the owner in accordance with the contract as long as the tenant continues to occupy the unit and the contract is not violated. By endorsing the monthly check from VBDHNP, the owner certifies that the tenant is still in the unit, the rent is reasonable and s/he is in compliance with the contract.

If an eviction is not due to a serious or repeated violation of the lease, and if VBDHNP has no other grounds for termination of assistance, VBDHNP may issue a new voucher so that the family can move with continued assistance.

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[24 CFR 982.311, 982.314]

D. TERMINATION OF THE CONTRACT BY VBDHNP
[24 CFR 982.404(a), 982.453, 982.454, 982.552(a)(3)]

The term of the HAP contract terminates when the lease terminates, when VBDHNP terminates program assistance for the family, and when the owner has breached the HAP contract. (See "Owner Disapproval and Restriction" chapter)

VBDHNP may also terminate the contract if:

- * VBDHNP terminates assistance to the family.
- * The family is required to move from a unit when the unit does not meet the HQS space standards because of an increase in family size or a change in family composition.
- * DHNP may terminate the HAP contract if we determine in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

In the event that terminations are necessary due to funding constraints we will develop a plan for termination based on family size and circumstances at the time. The plan will include the process for resumption of assistance once the financial constraint is resolved.

The contract will terminate automatically if 180 days have passed since the last housing assistance payment to the owner.

Notice of Termination

When VBDHNP terminates the HAP contract under the violation of HQS space standards, VBDHNP will provide the owner and family written notice of termination of the contract, and the HAP contract terminates at the end of the calendar month that follows the calendar month in which VBDHNP gives such notice to the owner.

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DENIAL, SUSPENSION, OR TERMINATION OF ASSISTANCE
[24 CFR 5.902, 5.902, 5.903, 5.905, 982.4, 982.54, 982.552, 982.553]

INTRODUCTION

VBDHNP may deny, suspend, or terminate assistance for a family because of the family's action or failure to act. VBDHNP will provide families with a written description of the family obligations under the program, the grounds under which VBDHNP can deny or terminate assistance, and VBDHNP's informal hearing procedures. This chapter describes when VBDHNP is required to deny, suspend, or terminate assistance, and VBDHNP's policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP contract.

A. GROUND FOR DENIAL/TERMINATION [24 CFR 982.54, 982.552, 982.553]

If denial or termination is based upon behavior resulting from a disability, VBDHNP will delay the denial or termination in order to determine if there is an accommodation that would negate the behavior resulting from the disability.

Form of Denial/Termination

Denial of assistance for an applicant may include any or all of the following:

- Denial for placement on VBDHNP's waiting list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a tenancy
- Refusing to process or provide assistance under portability procedures

Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a tenancy
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures

Mandatory Denial and Termination [24 CFR 982.54 (d), 982.552(b), 982.553(a), 982.553(b)]

VBDHNP must terminate assistance for participants if the family is under contract and 180 days (or 12 months, depending on the HAP contract used) have elapsed since VBDHNP's last housing assistance payment was made. (See "Contract Terminations" chapter.)

VBDHNP must permanently deny assistance to applicants, and terminate the assistance of persons convicted of manufacturing or producing methamphetamine on the premises of federally assisted housing.

VBDHNP must deny admission to the program for applicants, and terminate assistance for program participants if VBDHNP determines that any household member is currently engaging in illegal use of a drug. See section B of this chapter for VBDHNP's established standards.

VBDHNP *must* deny admission to the program for applicants, and terminate assistance for program participants if VBDHNP determines that it has reasonable cause to believe that a

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household member's illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. See Section B of this chapter for VBDHNP's established standards.

VBDHNP must deny admission to an applicant if VBDHNP determines that any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. See section B of this chapter for VBDHNP's established standards regarding criminal background investigation and determining whether a member of the household is subject to a lifetime registration requirement under a State sex offender registration program.

VBDHNP must terminate program assistance for a family evicted from housing assisted under the program for serious violation of the lease.

VBDHNP must deny admission to the program for an applicant or terminate program assistance for a participant if any member of the family fails to sign and submit consent forms for obtaining information in accordance with Part 5, subparts B and F.

VBDHNP must deny admission or terminate assistance when required under the regulations to establish citizenship or eligible immigration status.

Grounds for Denial or Termination of Assistance [24 CFR 982.552(c)]

VBDHNP may deny program assistance for an applicant, or terminate program assistance for a participant, for any of the following reasons:

- If any member of the family has been evicted from federally assisted housing in the last five years.
- If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- If the family has engaged in or threatened abusive or violent behavior toward VBDHNP personnel. "Abusive or violent behavior towards VBDHNP personnel" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial. "Threatening" refers to oral or written threats or physical gestures that communicate an intent to abuse or commit violence. Actual physical abuse or violence will always be cause for termination.
- If any member of the family engages in, or has engaged in drug or alcohol abuse that interferes with the health, safety or peaceful enjoyment of other residents or if any member of the family commits drug-related criminal activity, or other criminal activity. (See Section B of this chapter and 982.553 of the regulations)
- If any member of the family has been convicted of a felony in the last five years commencing from the court disposition date.

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- If any member of the family has been convicted of domestic or non-domestic violence in the last five years from the court disposition date.

Grounds For Suspension

A participant in the program may be suspended to permit adequate time for the family to document and explain the reason for a violation. During a suspension, HAP benefits will continued to be paid to the owner; UAP benefits to the customer will be held. The family will be required to repay VBDHNP for all housing assistance benefits during the suspension period if the suspension is upheld. Suspension is the last alternative to termination from the program.

- If any family member violates any family obligation under the program as listed in 24 CFR 982.551 with exception of criminal activity.
- If the family currently owes rent or other amounts to VBDHNP or to another PHA in connection with HCV or public housing assistance under the 1937. VBDHNP at its discretion may offer the family the opportunity to enter into a repayment agreement. VBDHNP will prescribe the terms of the agreement.
- If the family participating in an FSS program fails to comply, without good cause, with the family's FSS contract of participation.

Violence Against Women Act (VAWA)

- a. VAWA prohibits the eviction of, and removal of assistance from, certain persons living in public or Section 8-assisted housing if the asserted grounds for such action is an instance of domestic violence, dating violence, sexual assault, or stalking, as those terms are defined in Section 3 of the United States Housing Act of 1937 as amended by VAWA (42 U.S.C. 13925) and was published in PIH Notice 2006-23 issued June 23rd, 2006.
- b. No applicant for or participant in the HCV program who has been a victim of domestic violence, dating violence, or stalking shall be denied admission or assistance under the program if they are otherwise qualified.
- c. An incident or incidents or actual or threatened domestic violence, dating violence, or stalking will not be construed as a serious or repeated violation of the lease by the victim or threatened victim of that violence, and shall not be good

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cause for terminating the assistance, tenancy, or occupancy rights of the victim of such violence.

- d. VBDHNP may terminate the assistance to remove a lawful occupant or tenant who engages in criminal acts or threatened acts of violence or stalking to family members or others without terminating the assistance or evicting victimized lawful occupants (bifurcate).
- e. VBDHNP will honor court orders regarding the rights of access or control of the property, issued to protect the victim and issued to address the distribution or possession of property among household members where the family “breaks up.”
- f. There is no limitation on the ability of VBDHNP to terminate assistance for other good cause unrelated to the incident or incidents of domestic violence, dating violence or stalking, other than the victim may not be subject to a more demanding standard than non-victims.
- g. There is no prohibition on VBDHNP terminating assistance if it can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant’s (victim’s) assistance is not terminated.
- h. Any protections provided by law which give greater protection to the victim are not superseded by these provisions.
- i. As outlined in HUD notice H08-07 dated September 30, 2008, VBDHNP will require the Certification of Domestic Violence, Dating Violence, or Stalking Form HUD 91066, and also HUD form 91067 Lease Addendum which will revise the existing lease to reflect the statutory requirements of VAWA, to be completed and maintained with the tenants case file. These forms are required to be attached to each existing and/or new lease for cases which fall under VAWA laws.
- j. Definitions

The same definitions of “domestic violence,” “dating violence,” and “stalking,” and of “immediate family member” are provided in Sections 606 and 607. While definitions of domestic and dating violence refer to standard definitions in the Violence Against Women Act, the definition of stalking provided in Title VI is specific to the housing provisions. These are:

Domestic Violence – [as defined in Section 40002 of VAWA 1994] includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabiting with or has cohabited with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other

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person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction."

Dating Violence – [as defined in Section 40002 of VAWA 1994] means violence committed by a person:

- (1) who is or has been in a social relationship of a romantic or intimate nature with the victim; and
- (2) where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - (i) The length of the relationship.
 - (ii) The type of relationship.
 - (iii) The frequency of interaction between the persons involved in the relationship."

Stalking – [as defined in Section 40002 of VAWA 1994]"means to follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate another person; and to place under surveillance with the intent to kill, injure, harass or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to that person, a member of the immediate family of that person, or the spouse or intimate partner of that person.

Immediate Family Member - "means a spouse, parent, brother, sister, or child of that person, or an individual to whom that person stands in loco parentis; or any other person living in the household of that person and related to that person by blood or marriage

- k. VBDHNP will require certification of victim status on the HUD-91066, Certification of Domestic Violence, Dating Violence, or Stalking, and HUD-91067 Lease Addendum.
- l. Certification must be provided by the individual within 14 days after request by the HCV case manager or coordinator. If certification is not provided within 14 days, then the individual may be denied admission or terminated.
- m. All information provided to VBDHNP pursuant to this section will be retained in strict confidence and will not be entered into a shared database or provided to any other entity. Disclosure is only allowable to the extent that disclosure is requested or consented to in writing by the individual.

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[24 CFR 5.902, 5.902, 5.903, 5.905, 982.4, 982.54, 982.552, 982.553]

B. SCREENING AND TERMINATION FOR DRUG ABUSE AND OTHER CRIMINAL ACTIVITY

Purpose

All federally assisted housing is intended to provide a place to live and raise families, not a place to commit crime, to use or sell drugs or terrorize neighbors. It is the intention of VBDHNP to fully endorse and implement a policy designed to:

- ◆ Help create and maintain a safe and drug-free community
- ◆ Keep our program participants free from threats to their personal and family safety
- ◆ Support parental efforts to instill values of personal responsibility and hard work
- ◆ Help maintain an environment where children can live safely, learn and grow up to be productive citizens
- ◆ Assist families in their vocational/educational goals in the pursuit of self-sufficiency

Administration

All screening and termination of assistance procedures shall be administered fairly and in such a way as not to violate rights to privacy or discriminate on the basis of race, color, nationality, religion, familial status, disability, sex, or other legally protected groups.

To the maximum extent possible, VBDHNP will involve other community and governmental entities in the promotion and enforcement of this policy.

Screening of Applicants

In an effort to prevent future drug related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or right to peaceful enjoyment of the premises by other residents, and as required by 24 CFR 982, Subpart L and CFR Part 5, Subpart J, VBDHNP will endeavor to screen applicants as thoroughly and fairly as possible for drug-related and violent criminal behavior.

Such screening will apply to any member of the household.

HUD Definitions

Covered person, for purposes of 24 CFR Part 982 and this chapter, means a tenant, any member of the tenant's household, a guest or another person under the tenant's control.

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Drug-related criminal activity means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

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Guest, for purposes of this chapter and 24 CFR part 5, subpart A and 24 CFR Part 982, means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. The requirements of part 982 apply to a guest as so defined.

Household, for the purposes of 24 CFR Part 982 and this chapter, means the family and VBDHNP-approved live-in aide.

Other person under the tenant's control, for the purposes of the definition of *covered person* and for 24 CFR Parts 5 and 982 and for this chapter, means that the person, although not staying as a guest (as defined in this chapter) in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not *under the tenant's control*.

Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

Standard for Violation

VBDHNP may deny participation in the program to applicants and terminate assistance to participants in cases where VBDHNP determines there is reasonable cause to believe that a household member is illegally using a drug or if the person abuses alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents, including cases where VBDHNP determines that there is a pattern of illegal use of a drug or a pattern of alcohol abuse.

VBDHNP may consider the use of a controlled substance or alcohol to be a pattern if there is more than one incident during the previous three months.

“Engaged in or engaging in” violent criminal activity means any act within the 5 years from the court disposition date by an applicant or participant or household member which involved criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage, did or did not result in the arrest and/or conviction of the applicant, participant, or household member..

The existence of the above-referenced behavior by any household member, regardless of the applicant or participant’s knowledge of the behavior, shall be grounds for denial or termination of assistance.

In evaluating evidence of negative past behavior, VBDHNP will give fair consideration to the seriousness of the activity with respect to how it would affect other residents, and/or likelihood of favorable conduct in the future which could be supported by evidence of rehabilitation.

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Drug Related and Violent Criminal Activity

Ineligibility for admission if Evicted for Drug-Related Activity: Persons evicted from federally assisted housing because of drug-related criminal activity are ineligible for admission to the HCV program for a 5 year period beginning on the date of such eviction.

However, the household may be admitted if, after considering the individual circumstances of the household, VBDHNP determines that:

- The evicted household member who engaged in drug-related criminal activity has successfully completed a local, state, or federal government supervised or certified drug rehabilitation program
- The circumstances leading to eviction no longer exist because:
 - ➔ The criminal household member has died.
 - ➔ The criminal household member is imprisoned.

Applicants will be denied assistance if they have been evicted from federally assisted housing for violent criminal activity within the last 5 years prior to the date of the certification interview.

Termination of Assistance for Participants

Termination of Assistance for Drug-related Criminal Activity or Violent Criminal Activity:

Under the family obligations listed at 24 CFR 982.551, the members of the household must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. HUD regulations at 24 CFR 982.553(b) require VBDHNP to establish standards for termination of assistance when this family obligation is violated. VBDHNP has established the following standards for termination of assistance for the family when a household member has violated the family obligation to refrain from participating in drug-related or violent criminal activity.

Assistance will be terminated for participants who have been evicted from a unit assisted under any Federally assisted housing program for drug-related or violent criminal activity during participation in the program, and within the last 5 years prior to the date of the notice to terminate assistance.

If any member of the household violates the family obligations by engaging in drug-related or violent criminal activity, VBDHNP will terminate assistance.

In appropriate cases, VBDHNP may permit the family to continue receiving assistance provided that family members determined to have engaged in the proscribed activities will not reside in the unit. If the violating member is a minor, VBDHNP may consider individual circumstances with the advice of Juvenile Court officials.

VBDHNP will waive the requirement regarding drug-related criminal activity if:

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- The person demonstrates successful completion of a local, state, or federal supervised or certified rehabilitation program approved by the VBDHNP, or
- The circumstances leading to the violation no longer exist because the person who engaged in drug-related criminal activity or violent criminal activity is no longer in the household due to death or incarceration.

Terminating Assistance for Alcohol Abuse by Household Members

Under the family obligations listed at 24 CFR 982.551, the members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. Assistance will be terminated due to violation of a family obligation if VBDHNP determines that a member of the household has demonstrated a pattern of alcohol abuse that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

Assistance will be terminated if a household member is arrested and/or convicted and/or incarcerated] for any alcohol-related criminal activity on or near the premises within any 6 month period.

In appropriate cases, VBDHNP may permit the family to continue receiving assistance provided that household members determined to have engaged in the proscribed activities will not reside in the unit. If the violating member is a minor, VBDHNP may consider individual circumstances with the advice of Juvenile Court officials.

Notice of Termination of Assistance

In any case where VBDHNP decides to terminate assistance to the family, VBDHNP must give the family written notice which states:

- The reason(s) for the proposed termination,
- The effective date of the proposed termination,
- The family's right, if they disagree, to request an Informal Hearing to be held before termination of assistance.
- The date by which a request for an informal hearing must be received by VBDHNP.

If VBDHNP proposes to terminate assistance for criminal activity as shown by a criminal record, VBDHNP will provide the subject of the record with a copy of the criminal record.

VBDHNP will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the Termination of Assistance. The Notice to the owner will not include any details regarding the reason for termination of assistance.

Required Evidence

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Preponderance of evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

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

VBDHNP will terminate assistance for criminal activity by a household member if VBDHNP determines, based on a preponderance of the evidence, that the household member has engaged in the activity, regardless of whether the household member has been arrested or convicted for such activity.

VBDHNP will pursue fact-finding efforts as needed to obtain credible evidence.

Confidentiality of Criminal Records

VBDHNP will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.

All criminal reports, while needed, will be housed in a locked file with access limited to individuals responsible for screening and determining eligibility for initial and continued assistance.

Misuse of the above information by any employee will be grounds for termination of employment. Legal penalties for misuses are contained in state and/or federal codes.

If the family is determined eligible for initial or continued assistance, the criminal report shall be shredded as soon as the information is no longer needed for eligibility or continued assistance determination.

If the family's assistance is denied or terminated, the criminal record information shall be shredded immediately upon completion of the review or hearing procedures and a final decision has been made.

VBDHNP will document in the family's file the circumstances of the criminal report.

C. FAMILY OBLIGATIONS [24 CFR 982.551]

The family must supply any information that VBDHNP or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status (as provided by 24 CFR 982.551). "Information" includes any requested certification, release or other documentation.

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The family must supply any information requested by VBDHNP or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.

The family must disclose and verify Social Security Numbers (as provided by 24 CFR 5.216) and must sign and submit consent forms for obtaining information in accordance with 24 CFR 5.230.

All information supplied by the family must be true and complete.

The family is responsible for an HQS breach caused by the family as described in 982.404(b).

The family must allow VBDHNP to inspect the unit at reasonable times and after reasonable notice.

The family may not commit any serious or repeated violations of the lease.

The family must notify the owner and, at the same time, notify VBDHNP before the family moves out of the unit or terminates the lease upon notice to the owner.

The family must promptly give VBDHNP a copy of any owner eviction notice.

The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

The composition of the assisted family residing in the unit must be approved by VBDHNP. The family must promptly inform VBDHNP of the birth, adoption or court-awarded custody of a child. The family must request VBDHNP approval to add any other family member as an occupant of the unit.

The family must promptly notify VBDHNP if any family member no longer resides in the unit.

If VBDHNP has given approval, a foster child or a live-in aide may reside in the unit. If the family does not request approval or VBDHNP approval is denied, the family may not allow a foster child or live-in aide to reside with the assisted family.

Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit as a residence by members of the family and if such activities are permitted by the landlord as described in the lease.

The family must not sublease or let the unit.

The family must not assign the lease or transfer the unit.

The family must supply any information or certification requested by VBDHNP to verify that the family is living in the unit, or relating to family absence from the unit, including any VBDHNP-requested information or certification on the purposes of family absences. The family must cooperate with VBDHNP for this purpose. The family must promptly notify VBDHNP of absence from the unit.

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The family must not own or have any interest in the unit.

The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program.

The household members may not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. The members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. An assisted family, or members of the family, may not receive HCV tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, State or local housing assistance program.

Housing Authority Discretion [24 CFR 982.552(c)]

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, VBDHNP has discretion to consider all of the circumstances in each case, including the seriousness of the case. VBDHNP will use its discretion in reviewing the extent of participation or culpability of individual family members and the length of time since the violation occurred. VBDHNP may also review the family's more recent history and record of compliance, and the effects that denial or termination of assistance may have on other family members who were not involved in the action or failure to act.

VBDHNP may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in, or were culpable for the action or failure to act, will not reside in the unit. VBDHNP may permit the other members of a family to continue in the program.

Enforcing Family Obligations

Explanations and Terms

The term "promptly" when used with the family obligations always means "within 5 working days." Denial or termination of assistance is always optional except where this Plan or the regulations state otherwise.

HQS Breach

The HQS inspector or the HQS inspector's supervisor will determine if an HQS breach as identified in 24 CFR 982.404 (b) is the responsibility of the family. Families may be given extensions to cure HQS breaches by the HQS inspector or the HQS inspector's supervisor.

Lease Violations

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

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If the owner terminates tenancy through court action for serious or repeated violation of the lease.

If the owner notifies the family of termination of tenancy assistance for serious or repeated lease violations, and the family moves from the unit prior to the completion of court action, and VBDHNP determines that the cause is a serious or repeated violation of the lease based on available evidence.

If the owner notifies the family of termination of tenancy assistance for serious or repeated lease violations, and the family moves from the unit prior to the completion of court action, and if there are police reports, neighborhood complaints or other third party information, that has been verified by VBDHNP.

Nonpayment of rent is considered a serious violation of the lease.

Notification of Eviction

If the family requests assistance to move and they did not notify VBDHNP of an eviction within 5 working days of receiving the Notice of Lease Termination, the move will be denied.

Proposed Additions to the Family

VBDHNP will deny a family's request to add additional family members who are:

- Persons who have been evicted from public housing.
- Persons who have previously violated a family obligation listed in 24 CFR 982.51 of the HUD regulations.
- Persons who have been part of a family whose assistance has been terminated under the Voucher program.
- Persons who commit drug-related criminal activity or violent criminal activity.
- Persons who do not meet VBDHNP's definition of family.
- Persons who commit fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- Persons who currently owe rent or other amounts to VBDHNP or to another PHA in connection with HCV or public housing assistance under the 1937 Act.
- Persons who have engaged in or threatened abusive or violent behavior toward VBDHNP personnel.

Family Member Moves Out

Families are required to notify VBDHNP within 5 days if any family member leaves the assisted household. When the family notifies VBDHNP, they must furnish the following information:

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- The date the family member moved out.
- Verification of the new address, if known, of the family member.
- A statement as to whether the family member is temporarily or permanently absent.

Limitation on Profit-Making Activity in Unit

If the business activity area results in the inability of the family to use any of the critical living areas, such as a bedroom utilized for a business which is not available for sleeping, it will be considered a violation.

If VBDHNP determines that the use of the unit as a business is not incidental to its use as a dwelling unit, it will be considered a program violation.

If VBDHNP determines the business is not legal, it will be considered a program violation.

Interest in Unit

The owner may not reside in the assisted unit regardless of whether (s)he is a member of the assisted family, unless the family owns the mobile home and rents the pad.

Fraud

In each case, VBDHNP will consider which family members were involved, the circumstances, and any hardship that might be caused to innocent members.

In the event of false citizenship claims: (See section below)

D. PROCEDURES FOR NON-CITIZENS [24 CFR 5.514, 5.516, 5.518]

Denial or Termination due to Ineligible Immigrant Status

Applicant or participant families in which all members are neither U.S. citizens nor eligible immigrants are not eligible for assistance and must have their assistance terminated. VBDHNP must offer the family an opportunity for a hearing. (See "Eligibility for Admission" Chapter 2, Section E on Citizenship/Eligible Immigration Status.)

Assistance may not be terminated while verification of the participant family's eligible immigration status is pending.

False or Incomplete Information

When VBDHNP has clear, concrete, or substantial documentation (such as a permanent resident card or information from another agency) that contradicts the declaration of citizenship made by an applicant or participant, an investigation will be conducted and the individual will be given an opportunity to present relevant information.

If the individual is unable to verify their citizenship, VBDHNP will not give him/her an opportunity to provide a new declaration as an eligible immigrant or an opportunity to elect not to contend their status.

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VBDHNP will then verify eligible status, deny, terminate, or prorate as applicable.

VBDHNP will deny or terminate assistance based on the submission of false information or misrepresentation.

Procedure for Denial or Termination

If the family (or any member) claimed eligible immigrant status and the INS primary and secondary verifications failed to document the status, the family may make an appeal to the INS and request a hearing with VBDHNP either after the INS appeal or in lieu of the INS appeal.

After VBDHNP has made a determination of ineligibility, the family will be notified of the determination and the reasons and informed of the option for prorated assistance (if applicable).

E. ZERO (\$0) ASSISTANCE TENANCIES [24 CFR 982.455 (a)]

The family may remain in the unit at \$0 assistance for up to 180 days after the last HAP payment. If, within the 180 day timeframe, an owner rent increase or a decrease in the Total Tenant Payment causes the family to be eligible for a housing assistance payment, VBDHNP will resume assistance payments for the family.

In order for a family to move to another unit during the 180 days, the rent for the new unit would have to be high enough to necessitate a housing assistance payment.

F. OPTION NOT TO TERMINATE FOR MISREPRESENTATION
[24 CFR 982.551, 982.552(c)]

If the family has intentionally misrepresented any facts that caused VBDHNP to overpay assistance, VBDHNP will terminate the HCV assistance, and execute a Repayment Agreement. The family has a right to appeal the termination, and will be given instructions on how to request an appeals hearing.

G. MISREPRESENTATION IN COLLUSION WITH OWNER
[24 CFR 982.551, 982.552 (c)]

If the family intentionally, willingly, and knowingly commits fraud or is involved in any other illegal scheme with the owner, VBDHNP will deny or terminate assistance.

In making this determination, VBDHNP will carefully consider the possibility of overt or implied intimidation of the family by the owner and the family's understanding of the events.

H. MISSED APPOINTMENTS AND DEADLINES [24 CFR 982.551, 982.552 (c)]

It is a Family Obligation to supply information, documentation, and certification as needed for VBDHNP to fulfill its responsibilities. VBDHNP schedules appointments and sets deadlines in order to obtain the required information. The Obligations also require that the family allow VBDHNP to inspect the unit, and appointments are made for this purpose.

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An applicant or participant who fails to keep an appointment, or to supply information required by a deadline without notifying VBDHNP, will be sent a Notice of Suspension or Termination of Assistance for failure to provide required information, or for failure to allow VBDHNP to inspect the unit.

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

Appointments will be scheduled and time requirements will be imposed for the following events and circumstances:

- ➔ Eligibility for Admissions
- ➔ Verification Procedures
- ➔ Certificate/Voucher Issuance and Briefings
- ➔ Housing Quality Standards and Inspections
- ➔ Recertifications
- ➔ Appeals

Acceptable reasons for missing appointments or failing to provide information by deadlines are:

- ◆ Medical emergency
- ◆ Incarceration
- ◆ Family emergency

Chapter 16
OWNER DISAPPROVAL AND RESTRICTION
[24 CFR 982.54, 982.306, 982.453]

INTRODUCTION

It is the policy of VBDHNP to recruit owners to participate in the voucher program. VBDHNP will provide owners with prompt and professional service in order to maintain an adequate supply of available housing throughout the jurisdiction of VBDHNP. The regulations define when VBDHNP must disallow an owner participation in the program, and they provide VBDHNP discretion to disapprove or otherwise restrict the participation of owners in certain categories. This chapter describes the steps the division will take in owner outreach, as well as what the criteria for owner disapproval will be, and the various penalties for owner violations.

A. DISAPPROVAL OF OWNER [24 CFR 982.306, 982.54(d)(8)]

The owner does not have a right to participate in the program. For purposes of this section, "owner" includes a principal or other interested party.

VBDHNP will disapprove the owner for the following reasons:

HUD has informed VBDHNP that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

HUD has informed VBDHNP 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.

HUD has informed VBDHNP that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other Federal equal opportunity requirements. Unless their lease was effective prior to June 17, 1998, the owner may not be a parent, child, grandparent, grandchild, sister or brother of any family member. VBDHNP will waive this restriction as a reasonable accommodation for a family member who is a person with a disability.

(In cases where the owner and tenant bear the same last name, VBDHNP may, at its discretion, require the family and or owner to certify whether they are related to each other in any way.)

The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.c. 1437f).

The owner has committed fraud, bribery or any other corrupt act in connection with any Federal housing program.

The owner has engaged in drug-related criminal activity or any violent criminal activity.

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The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other Federal housing program.

The owner has a history or practice of renting units that fail to meet State or local housing codes.

The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity by the tenant, any member of the household, a guest or another person under the control of any member of the household that:

Threatens the right to peaceful enjoyment of the premises by other residents;

Threatens the health or safety of other residents, of employees of VBDHNP, or of owner employees or other persons engaged in management of the housing .

Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or
Is drug-related criminal activity or violent criminal activity;

The owner has not paid State or local real estate taxes, fines or assessments. -

The owner has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD.

ANNUAL FAIR HOUSING TRAINING

As per Voluntary Compliance Agreement Case Number 03-07-R037-6 executed September 2, 2008 between the City of Virginia Beach and the Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity, landlords who participate in the Housing Choice Voucher Program in our Jurisdiction are required to receive annual Fair Housing Training certification as a condition of participating in our program. Any Landlord who fails without good cause to follow our Annual Fair Housing Training requirements, will be terminated from participating in our Housing Choice Voucher program.

B. OWNER RESTRICTIONS AND PENALTIES [24 CFR 982.453]

If an owner has committed fraud or abuse or is guilty of frequent or serious contract violations, VBDHNP will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. VBDHNP may also terminate some or all contracts with the owner.

Before imposing any penalty against an owner VBDHNP 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.

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See Program Integrity Addendum for guidance as to how owner fraud will be handled.

C. CHANGE IN OWNERSHIP

A change in ownership does require execution of a new contract and lease.

VBDHNP will process a change of ownership only upon the written request of the new owner and only if accompanied by a copy of the escrow statement or other document showing the transfer of title, recorded deed and the employee identification number or social security number of the new owner .



Chapter 17

OWNER OR FAMILY DEBTS TO VBDHNP

[24 CFR 982.552]

INTRODUCTION

This chapter describes VBDHNP's policies for the recovery of monies which have been overpaid for families, and to owners. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is VBDHNP'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 VBDHNP'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 VBDHNP, VBDHNP will make every effort to collect it. VBDHNP will use a variety of collection tools to recover debts including, but not limited to:

- * Requests for lump sum payments
- * Civil suits
- * Repayment Agreements
- * Withholding of future HAP payments to offset debt
- * Collection agencies
- * Credit bureaus
- * Income tax set-off programs
- * Treasurers Liens

A. REPAYMENT AGREEMENT FOR FAMILIES [24 CFR 982.552 (c)(v-vii)]

A repayment agreement is a formal document signed by a tenant or owner and provided to VBDHNP in which a tenant or owner acknowledges a debt owed to VBDHNP, in a specific amount, and agrees to repay the amount due at specific time period (s).

VBDHNP will prescribe the terms of the Repayment Agreement, including determining whether to enter into a Repayment Agreement with the family based on the circumstances surrounding the debt to VBDHNP.

B. DEBTS OWED TO VBDHNP [24 CFR 792.103,982.552 (c)(v-vii)]

If the family breaches an agreement with the VBDHNP to pay amounts owed to us or amounts paid to an owner (overpayment) by us (the VBDHNP, at our discretion, may offer a family the

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OWNER OR FAMILY DEBTS TO VBDHNP

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opportunity to enter into a Repayment Agreement to repay amounts owed to VBDHNP or repay VBDHNP for an amount due to an overpayment of HAP funds to an owner.

Late Payments

A payment will be considered to be in arrears if the payment has not been received by the close of the business day on which the payment was 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 the family's Repayment as per the Agreement is in arrears, and the family has not contacted or made arrangements with VBDHNP, VBDHNP will issue a 30 day notice to terminate the housing assistance and pursue civil collection of the balance due. The tenant will be advised of their right to appeal the termination, and request an Appeals Hearing.

If the family requests a move to another unit and has a Repayment Agreement in place for the repayment of an overpayment of HAP funds made to an owner, and the Repayment Agreement is not in arrears, the family will be permitted to move.

If the family requests a move to another unit and is in arrears on a Repayment Agreement for the payment of an overpayment of HAP funds made to an owner, the family must pay the past due amount before being permitted to move.

C. DEBTS DUE TO MISREPRESENTATIONS/NON-REPORTING OF

INFORMATION [24 CFR 982.163]

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 Section 8 program funds in violation of Section 8 program requirements.

Family Error/ Late Reporting

Families who owe money to VBDHNP due to the family's failure to report increases in income will be required to repay in accordance with the guidelines in the Repayment Agreement Section of this Chapter.

Program Fraud

Families who owe money to VBDHNP due to program fraud will be required to repay in accordance with the guidelines in the Repayment Agreement Section of this Chapter.

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D. DEBTS DUE TO MINIMUM RENT TEMPORARY HARDSHIP

If the family owes VBDHNP money for rent arrears incurred during the minimum rent period, VBDHNP will calculate the total amount owed and divide it by 12 to arrive at a reasonable payback amount that the family will be required to pay to VBDHNP monthly in addition to the family's regular monthly rent payment to the owner. The family will be required to pay the increased amount until the arrears are paid in full to VBDHNP.

If the family goes into default on the Repayment Agreement for back rent incurred during a minimum rent period, VBDHNP will reevaluate the family's financial situation and determine whether the family has the ability to pay the increased rent amount and if not, restructure the existing Repayment Agreement.

E. GUIDELINES FOR REPAYMENT AGREEMENTS [24 CFR 982.552(c)(v-vii)]

Repayment Agreements will be executed between VBDHNP and the head of household/co-head or head of household and spouse.

Payments may be made by cash, money order or cashier's check.

The agreement will be in default when a payment is delinquent by the 10th day of the month.

Monthly payments may be decreased in cases of family hardship and if requested with reasonable notice from the family, verification of the hardship, and the approval of the Rental Housing Administrator, or Program Coordinator. An amended Repayment Agreement will be executed.

No move will be approved until the debt is paid in full unless the move is the result of the following causes, and the Repayment Agreement is current:

- * Family size exceeds the HQS maximum occupancy standards
- * The HAP contract is terminated due to owner non-compliance or opt-out
- * A natural disaster

Additional Monies Owed: If the family already has a Repayment Agreement in place and incurs an additional debt to VBDHNP, upon review and approval of the Rental Housing Administrator, or Program Coordinator, the additional debt may be added to the existing Repayment Agreement, and an amended Repayment Agreement will be executed.

F. OWNER DEBTS TO VBDHNP [24 CFR 982.453(b)]

If VBDHNP determines that the owner has retained housing assistance or claim payments the owner

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is not entitled to, VBDHNP may reclaim the amounts from future housing assistance or claim payments owed the owner for any units under contract.

If future housing assistance or claim payments are insufficient to reclaim the amounts owed, VBDHNP will enter into a Repayment Agreement with the owner for the amount owed.

If the owner falls in arrears, VBDHNP will pursue collections through the local court system and the owner will be restricted from future participation.

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COMPLAINTS AND APPEALS
[24 CFR 982.54(d)(12),982.554,982..555(a-f),982.54(d)(13)]

INTRODUCTION

The informal hearing requirements defined in HUD regulation are applicable to participating families who disagree with an action, decision, or inaction of VBDHNP. This chapter describes the policies, procedures and standards to be used when families disagree with a VBDHNP decision. The procedures and requirements are explained for preference denial meetings, informal reviews and hearings. It is the policy of VBDHNP to ensure that all families have the benefit of all protections due to them under the law.

A. COMPLAINTS TO VBDHNP

- VBDHNP will respond promptly to complaints from families, owners, employees, and members of the public. All complaints will be documented. VBDHNP does require that complaints other than HQS violations be put in writing. HQS complaints may be reported by telephone.

VBDHNP hearing procedures will be provided to families in the briefing packet.

Categories of Complaints

Complaints from families: If a family disagrees with an action or inaction of VBDHNP or owner.

Complaints from families will be referred to the HCV Program Coordinator. If a complaint is not resolved, it will be referred to the Rental Housing Administrator.

Complaints from owners: If an owner disagrees with an action or inaction of VBDHNP or a family.

Complaints from owners will be referred to the HCV Program Coordinator. If a complaint is not resolved, it will be referred to the Rental Housing Administrator.

Complaints from staff: If a staff person reports an owner or family either violating or not complying with program rules, the complaint will be referred to the HCV Program Coordinator.

Complaints from the general public: Complaints or referrals from persons in the community in regard to VBDHNP, a family or an owner.

Complaints from the general public will be referred to the HCV Program Coordinator. If a complaint is not resolved, it will be referred to the Rental Housing Administrator.

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B. PREFERENCE DENIALS

When VBDHNP denies a preference to an applicant, the family will be notified in writing of the specific reason for the denial and offered the opportunity for a meeting with VBDHNP staff to discuss the reasons for the denial and to dispute VBDHNP's decision.

The person who conducts the meeting will be the HCV Program Coordinator and/or the Rental Housing Administrator.

One VBDHNP staff member unassociated with the Rental Housing Division will attend the meeting.

C. INFORMAL REVIEW PROCEDURES FOR APPLICANTS

[24 CFR 982.54(d)(12), 982.554]

Reviews are provided for applicants who are denied assistance before the effective date of the HAP contract. The exception is that when an applicant is denied assistance for citizenship or eligible immigrant status, the applicant is entitled to an informal hearing.

When VBDHNP determines that an applicant is ineligible for the program, the family must be notified of their ineligibility in writing. The notice must contain:

- » The reason(s) they are ineligible,
- » The procedure for requesting a review if the applicant doesn't agree with the decision
- » The time limit for requesting a review.

When denying admission for criminal activity as shown by a criminal record, VBDHNP will provide the subject of the record and the applicant with a copy of the criminal record upon which the decision to deny was based.

VBDHNP must provide applicants with the opportunity for an informal review of decisions denying:

- Listing on VBDHNP's waiting list
- Issuance of a voucher
- Participation in the program
- Assistance under portability procedures

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Informal reviews are not required for established policies and procedures and VBDHNP determinations such as:

- » Discretionary administrative determinations by VBDHNP
- » General policy issues or class grievances
- » A determination of the family unit size under VBDHNP subsidy standards
- » Refusal to extend or suspend a voucher
- » A VBDHNP determination not to grant approval of the tenancy
- » Determination that unit is not in compliance with HQS
- » Determination that unit is not in accordance with HQS due to family size or composition

Procedure for Review

A request for an informal review must be received in writing by the close of the business day, no later than 10 working days from the date of VBDHNP's notification of assistance denial. The informal review will be scheduled within 5 working days from the date the request is received.

The informal review will be conducted by a panel of not less than three VBDHNP staff members who are not associated with the Rental Housing Division.

The applicant will be given the option of presenting oral or written objections to the decision. Both VBDHNP and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense.

The review may be conducted by mail and/or telephone if acceptable to both parties.

A notice of the review findings will be provided in writing to the applicant within 5 working days after the review. It shall include the decision of the review officer, and an explanation of the reasons for the decision.

All requests for a review, supporting documentation, and a copy of the final decision will be retained in the family's file.

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D. INFORMAL HEARING PROCEDURES [24 CFR 982.555(a-f), 982.54(d)(13)]

When VBDHNP makes a decision regarding the eligibility and/or the amount of assistance, participants must be notified in writing. VBDHNP will give the family prompt notice of such determinations which will include:

- » The proposed action or decision of VBDHNP
- » The date the proposed action or decision will take place
- » The family's right to an explanation of the basis for VBDHNP's decision
- » The procedures for requesting a hearing if the family disputes the action or decision
- » The time limit for requesting the hearing
- » To whom the hearing request should be addressed
- » A copy of VBDHNP's hearing procedures

When terminating assistance for criminal activity as shown by a criminal record, VBDHNP will provide the subject of the record and the tenant/participant with a copy of the criminal record upon which the decision to terminate was based.

VBDHNP must provide participants with the opportunity for an informal hearing for decisions related to any of the following VBDHNP determinations:

- Determination of the family's annual or adjusted income and the computation of the housing assistance payment
- Appropriate utility allowance used from schedule
- Family unit size determination under VBDHNP subsidy standards
- Determination to terminate assistance for any reason
- Determination to terminate a family's FSS contract, withhold supportive services, or propose forfeiture of the family's escrow account

VBDHNP must always provide the opportunity for an informal hearing before termination of assistance.

Informal hearings are not required for established policies and procedures and VBDHNP determinations such as:

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- » Discretionary administrative determinations by VBDHNP
- » General policy issues or class grievances
- » Establishment of VBDHNP schedule of utility allowances for families in the program
- » A VBDHNP determination not to approve an extension or suspension of a voucher term
- » A VBDHNP determination not to approve a unit or lease
- » A VBDHNP determination that an assisted unit is not in compliance with HQS (VBDHNP must provide A hearing for family breach of HQS because that is a family obligation determination)
- » A VBDHNP determination that the unit is not in accordance with HQS because of the family size.
- » A VBDHNP determination to exercise or not exercise any right or remedy against the owner under a HAP contract

Notification of Hearing

It is VBDHNP's objective to resolve disputes at the lowest level possible, and to make every effort to avoid the most severe remedies. However, if this is not possible, VBDHNP will ensure that applicants and participants will receive all of the protections and rights afforded by the law and the regulations.

When VBDHNP receives a request for an informal hearing, a hearing shall be scheduled within 5 working days. The notification of hearing will contain:

- » The date and time of the hearing
- » The location where the hearing will be held
- » The family's right to bring evidence, witnesses, legal or other representation at the family's expense
- » The right to view any documents or evidence in the possession of VBDHNP upon which VBDHNP based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing. Requests for such documents or evidence must be received no later than 5 working days before the hearing date.

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- » A notice to the family that VBDHNP will request a copy of any documents or evidence the family will use at the hearing. Requests for such documents or evidence must be received no later than 5 working days before the hearing date.

VBDHNP's Hearing Procedures

After a hearing date is agreed to, the family may request to reschedule only upon showing "good cause," which is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

If a family does not appear at a scheduled hearing and has not rescheduled the hearing in advance, the family must contact VBDHNP within one working day. VBDHNP will reschedule the hearing only if the family can show good cause for the failure to appear. If the family contacts the office within one working day, but fails to show good cause for not appearing, the termination will stand.

- Present written or oral objections to VBDHNP's determination .
- Examine the documents in the file which are the basis for VBDHNP's action, and all documents submitted to the Hearing Officer, except for police reports which are maintained in the Professional Standards office of the Police Dept.
- Copy any relevant documents at their expense;
- Present any information or witnesses pertinent to the issue of the hearing;
- Request that VBDHNP staff be available or present at the hearing to answer questions pertinent to the case; and
- Be represented by legal counsel, advocate, or other designated representative at their own expense.

In addition to other rights contained in this Chapter, VBDHNP has a right to:

- » Present evidence and any information pertinent to the issue of the hearing;
- » Be notified if the family intends to be represented by legal counsel, advocate, or another party;
- » Examine and copy any documents to be used by the family prior to the hearing;
- » Have its attorney present; and

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» Have staff persons and other witnesses familiar with the case present.

The informal review will be conducted by a panel of not less than three VBDHNP staff members who are not associated with the Rental Housing Division

The hearing shall concern only the issues for which the family has received the opportunity for hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

No documents may be presented which have not been provided to the other party before the hearing if requested by the other party. "Documents" includes records and regulations.

The Hearing Panel may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision.

If the family misses an appointment or deadline ordered by the Hearing Panel, without Good Cause, the action of VBDHNP shall take effect and another hearing will not be granted.

The Hearing Panel will determine whether the action, inaction or decision of VBDHNP is legal in accordance with HUD regulations and this Administrative Plan based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the family will be based on a preponderance of the evidence presented at the hearing.

Upon approval, the notice of hearing findings shall be provided to the HCV Program Coordinator and the family within 14 working days and shall include:

- A clear summary of the decision and reasons for the decision;
- If the decision involves money owed, the amount
- The date the decision goes into effect.

VBDHNP is not bound by hearing decisions:

- » Which concern matters in which VBDHNP is not required to provide an opportunity for a hearing
- » Which conflict with or contradict to HUD regulations or requirements;
- » Which conflict with or contradict Federal, State or local laws; or
- » Which exceed the authority of the person conducting the hearing.

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VBDHNP shall send a letter to the participant if it determines VBDHNP is not bound by the Hearing Panel's determination within 14 working days. The letter shall include VBDHNP's reasons for the decision.

E. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS" [24 CFR Part 5, Subpart E]

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the INS appeal.

Assistance to a family may not be terminated or denied while VBDHNP hearing is pending but assistance to an applicant may be delayed pending a VBDHNP hearing.

INS Determination of Ineligibility

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, VBDHNP notifies the applicant or participant within ten days of their right to appeal to the INS within thirty days or to request an informal hearing with VBDHNP either in lieu of or subsequent to the INS appeal.

If the family appeals to the INS, they must give VBDHNP a copy of the appeal and proof of mailing for VBDHNP may proceed to deny or terminate. The time period to request an appeal may be extended by VBDHNP for good cause.

The request for a VBDHNP hearing must be made within ten working days of receipt of the notice offering the hearing or, if an appeal was made to the INS, within ten working days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in this chapter for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members VBDHNP will:

- Deny the applicant family
- Defer termination if the family is a participant and qualifies for deferral
- Terminate the participant if the family does not qualify for deferral

If there are eligible members in the family, VBDHNP will offer to prorate assistance or give the family the option to remove the ineligible members.

All other complaints related to eligible citizen/immigrant status:

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

F. MITIGATING CIRCUMSTANCES FOR APPLICANTS/PARTICIPANTS WITH DISABILITIES [24 CFR 982.204, 982.552(c)]

When applicants are denied placement on the waiting list, or VBDHNP is terminating assistance, the family will be informed that presence of a disability may be considered as a mitigating circumstance during the informal review process.

Examples of mitigating circumstances are:

- a) A person with a cognitive disorder may not have understood the requirement to report increases in income.
- b) A person may not understand the need to make regular repayments on a promissory note,
- c) Minor criminal records for public drunkenness may be due to medication; prior incarcerations for being disorderly may be emotional disorder.

All requests for a hearing, supporting documentation, and a copy of the final decision will be retained in the family's file .



Chapter 19 PROJECT BASED VOUCHERS

INTRODUCTION [24CFR 983.5]

The project-based voucher (PBV) program allows VBDHNP to administer a tenant-based voucher program under an annual contributions contract (ACC) with HUD to take up to 20 percent of its voucher program budget VBDHNP and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. VBDHNP may only operate a PBV program if doing so is consistent with our Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)].

The VBDHNP will operate a project-based voucher program using up to 20 percent of its budget VBDHNP for project-based assistance.

HUD permits PBV assistance to be attached to existing housing or newly constructed or rehabilitated housing [24 CFR 983.52]. However, at this time only newly constructed housing shall be eligible for the VBDHNP PBV program. Regulations governing rehabilitated and existing housing are not applicable at this time.

If PBV units are already selected for project-based assistance either under an agreement to enter into HAP Contract (Agreement) or a HAP contract, the VBDHNP is not required to reduce the number of these units if the amount of the budget for VBDHNP is subsequently reduced. However, the VBDHNP is responsible for determining the amount of budget that is available for project-based vouchers and ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC [24 CFR 983.6].

A. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE **[24 CFR 983.2]**

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, the VBDHNP's policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants.

Provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2.

B. RELOCATION REQUIREMENTS [24 CFR 983.7]

Any persons displaced as a result of implementation of the PBV program must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)[42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24.

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Equal Opportunity Requirements [24 CFR 983.8]

The VBDHNP will comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at 24 CFR 5.105(a). In addition, the VBDHNP will comply with the Agency Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

GENERAL PROVISIONS

No statement in this Plan regarding the VBDHNP'S obligations or responsibilities shall relieve an owner from any obligation or responsibility of owner under the PBV program, including without limitation applicable law, regulations, this Plan, any Agreement to enter into HAP, and any HAP contract. Where owner shall fail to comply with any obligation or responsibility of owner, VBDHNP shall have no liability to owner, regardless of any action or inaction by the VBDHNP. Nor shall any owner be deemed or construed an intended beneficiary of any responsibility or obligation of VBDHNP hereunder except where expressly stated.

C. PBV OWNER PROPOSALS

Introduction

The VBDHNP will describe the procedures for owner submission of PBV proposals and for its selection of PBV proposals [24 CFR 983.51]. Before selecting a PBV proposal, the VBDHNP will determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing [24 CFR 983.53 and 983.54], complies with the cap on the number of PBV units per building [24 CFR 983.56], and meets the site selection standards [24 CFR 983.57].

Owner Proposal Selection Procedures [24 CFR 983.51]

The VBDHNP will select PBV proposals in accordance with the selection procedures in its administrative plan. The VBDHNP will select PBV proposals by the following methods:

Solicitation and Selection of PBV Proposals in accordance with 17.II.B.1 [24 CFR 983.51(b) and (c)]

VBDHNP Request for Proposals for Newly Constructed Units

The VBDHNP will advertise its request for proposals (RFP) for newly constructed housing in the following newspaper.

The Virginian Pilot

In addition, the VBDHNP will post the RFP and proposal submission and rating and ranking procedures on its electronic web site, if any.

The VBDHNP will publish its advertisement in the newspaper mentioned above for at least one day per week for three consecutive weeks. The advertisement will specify the number of units the VBDHNP estimates that it will be able to assist under the funding the VBDHNP is making available. Proposals will be due in the VBDHNP office by close of business 30 calendar days from the date of the last publication.

In order for the proposal to be considered, the owner must submit the proposal to the VBDHNP by

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the published deadline date, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed.

The VBDHNP will rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

- Owner experience and capability to build or rehabilitate multifamily housing as identified in the RFP;
- Experience as an owner in the tenant-based voucher program and owner compliance with the owner's obligations under the tenant-based program;
- Extent to which the project furthers the VBDHNP's goal of deconcentrating poverty and expanding housing and economic opportunities;
- Location of the Project in a Revitalization Area as defined by HUD.
- Compliance with all HUD Equal Opportunity and Civil Rights requirements including Section 504, Fair Housing and Section 3.
- If applicable, the extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and ;
- Projects with less than 25 percent of the units assisted will be rated higher than projects with 25 percent of the units assisted. In the case of projects for occupancy by the elderly, persons with disabilities or families needing other services, the VBDHNP will rate partially assisted projects on the percent of units assisted. Projects with the lowest percent of assisted units will receive the highest score under this criterion.

The VBDHNP reserves the right to request at any time additional information regarding any proposal received, including without limitation, a site plan, construction plans, and budgetary information. The VBDHNP reserves the right to reject all proposals received. Regardless of whether any proposal is accepted, the VBDHNP shall have no responsibility or liability to any owner for any cost incurred in developing or submitting a proposal, or in any other way related to VBDHNP's solicitation.

Selection of PBV Proposals in accordance with 17.II.B.2

VBDHNP Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program

The VBDHNP will review proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits on an ongoing basis.

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Owners may submit unsolicited proposals for review by the VBDHNP under this Section. In addition, the VBDHNP may periodically advertise that it is seeking proposals under this Section in the following newspaper:

The Virginian Pilot

The VBDHNP reserves the right to request at any time additional information regarding any proposal received in response to such a solicitation, including without limitation, a site plan, construction plans, and budgetary information. The VBDHNP reserves the right to reject all proposals received. Regardless of whether any proposal is accepted, the VBDHNP shall have no responsibility or liability to any owner for any cost incurred in developing or submitting a proposal, or in any other way related to VBDHNP's solicitation.

The VBDHNP may also directly contact specific owners that have already been selected for Federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance.

Proposals will be reviewed on a first-come first-served basis. The VBDHNP will evaluate each proposal on its merits using the following factors:

- Owner experience and capability to build or rehabilitate multifamily housing;
- Experience as an owner in the tenant-based voucher program and owner compliance with the owner's obligations under the tenant-based program;
- Extent to which the project furthers the VBDHNP's goal of deconcentrating poverty and expanding housing and economic opportunities; and
- Extent to which the proposal complements other local activities such as the redevelopment of a public housing site under the HOPE VI program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.
- Location of the Project in a Revitalization Area as defined by HUD.
- Compliance with all HUD Equal Opportunity and Civil Rights requirements including Section 504, Fair Housing and Section 3.

Unsolicited proposals hereunder may be submitted at any time to the offices of the VBDHNP: 801 Water Street, Suite 200, Virginia Beach, VA 23704, Attn: Delores Adams. The VBDHNP reserves the right to request at any time additional information regarding any proposal received, including without limitation, a site plan, construction plans, and budgetary information. The VBDHNP shall notify any owner submitting an unsolicited proposal whether the proposal has been approved or rejected within 120 calendar days of receipt, subject to the proposed timely providing all additional materials and information which the VBDHNP may request.

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Without limitation, no proposal will be considered and/or approved unless vouchers are available to the VBDHNP for PBV assistance and the use of available vouchers for PBV assistance is in the best interest of the VBDHNP and HCV recipients and applicants, as determined by the VBDHNP. To receive consideration, a proposal must comply with all applicable HUD regulations and requirements as set forth herein and at 24 CFR Part 983.

Regardless of whether any proposal is accepted, the VBDHNP shall have no responsibility or liability to any owner for any cost incurred in developing or submitting a proposal under this Section, regardless of whether the proposal is solicited or unsolicited.

Effect of Approval/Selection of PBV Proposal by VBDHNP

Approval or selection of a proposal submitted in accordance with either Section 17.II.B.1 or Section 17.2.B.II shall not constitute a binding agreement by the VBDHNP to enter into an Agreement to enter into HAP Contract, nor shall it create any legal right in owner to participation in the PBV program. Any such rights shall accrue only upon execution by all parties of an Agreement to enter into HAP Contract and shall be limited in accordance with the terms and conditions set forth therein. The VBDHNP reserves the right to terminate negotiation of an Agreement to enter into HAP Contract at any time for any reason not in violation of applicable constitutional or statutory law or HUD regulations.

Except as the VBDHNP may expressly agree, and subject to applicable law, regulations, and HUD guidance, on and after selection/approval of an owner's proposal, the owner shall be solely responsible for all direct costs incurred by the VBDHNP (including without limitation legal costs) related to owner's proposal, the negotiation of any Agreement to enter into HAP Contract, and execution of any HAP Contract, regardless of whether negotiations are terminated prior to execution of any Agreement to enter into HAP Contract and/or any HAP. No such costs shall be charged by owner to any family renting a PBV unit.

Notice of Owner Selection [24 CFR 983.51(d)]

Within 10 business days of the VBDHNP making the selection, the VBDHNP will notify the selected owner in writing of the owner's selection for the PBV program. The VBDHNP will also notify in writing all owners that submitted proposals in response to an VBDHNP solicitation that were not selected and advise such owners of the name of the selected owner.

In addition, the VBDHNP will publish its notice for selection of PBV proposals for two consecutive days in the same newspaper it used to solicit the proposals (or the *Virginian Pilot* if there was no public solicitation). The announcement will include the name of the owner that was selected for the PBV program. The VBDHNP will also post the notice of owner selection on its electronic web site, if any.

The VBDHNP will make available to any interested party its rating and ranking sheets and documents that identify the VBDHNP basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one month after publication of the notice of owner selection. The VBDHNP will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.

The VBDHNP will make these documents available for review at the VBDHNP during normal business

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hours. The cost for reproduction of allowable documents will be \$.25 per page.

Housing Type [24 CFR 983.52]

The VBDHNP must decide what housing type, new construction, rehabilitation, or existing housing, will be used to develop project-based housing. The VBDHNP choice of housing type must be reflected in its solicitation for proposals. **AT THIS TIME, ONLY NEW CONSTRUCTION UNITS SHALL BE ELIGIBLE FOR PARTICIPATION IN THE PBV PROGRAM.** This is to support the construction of new, well-constructed affordable housing in the City of Virginia Beach.

D. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS

Ineligible Housing Types [24 CFR 983.53]

The VBDHNP may not attach or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes; cooperative housing; and transitional housing. In addition, the VBDHNP may not attach or pay PBV assistance for a unit occupied by an owner and the VBDHNP may not select or enter into an agreement to enter into a HAP contract or HAP contract for a unit occupied by a family ineligible for participation in the PBV program.

High-rise Elevator Projects for Families with Children [24 CFR 983.53(b)]

The VBDHNP will not use high-rise elevator projects for families with children.

Subsidized Housing [24 CFR 983.54]

VBDHNP may not attach or pay PBV assistance to units in any of the following types of subsidized housing:

- A public housing unit;
- A unit subsidized with any other form of Section 8 assistance;
- A unit subsidized with any governmental rent subsidy;
- A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
- A unit subsidized with Section 236 rental assistance payments (except that a VBDHNP may attach assistance to a unit subsidized with Section 236 interest reduction payments);
- A Section 202 project for non-elderly with disabilities;
- Section 811 project-based supportive housing for persons with disabilities;
- Section 202 supportive housing for the elderly;

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- A Section 101 rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance;
- A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or the VBDHNP in accordance with HUD requirements.

E. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55]

The VBDHNP may provide PBV assistance only in accordance with HUD subsidy layering regulations [24 CFR 4.13] and other requirements.

The subsidy layering review is intended to prevent excessive public assistance by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

The VBDHNP must submit the necessary documentation to HUD for a subsidy layering review. We may not enter into an agreement to enter into a HAP contract or a HAP contract until HUD (or an independent entity approved by HUD) has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements.

The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements.

F. CAP ON NUMBER OF PBV UNITS IN EACH BUILDING

25 Percent per Building Cap [24 CFR 983.56(a)]

In general, VBDHNP may not select a proposal to provide PBV assistance for units in a building or enter into an agreement to enter into a HAP or a HAP contract to provide PBV assistance for units in a building, if the total number of dwelling units in the building that will receive PBV assistance during the term of the PBV HAP contract is more than 25 percent of the number of dwelling units (assisted or unassisted) in the building.

Exceptions to 25 Percent per Building Cap [24 CFR 983.56(b)]

Exceptions are allowed and PBV units are not counted against the 25 percent per building cap if:

- The units are in a single-family building (one to four units);
- The units are *excepted units* in a multifamily building because they are specifically made available for elderly or disabled families or families receiving supportive services (also known as *qualifying families*).

(Must include in this plan the type of services offered to families for a project to qualify for the exception and the extent to which such services will be provided)

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The VBDHNP will not impose a cap on excepted units in multifamily buildings at this time.

G. SITE SELECTION STANDARDS

Compliance with PBV Goals, Civil Rights Requirements, and HQS Site Standards [24 CFR 983.57(b)]

The VBDHNP will not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an agreement to enter into a HAP contract or HAP contract for units on the site, unless we have determined that PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities must be consistent with the VBDHNP Plan under 24 CFR 903 and this administrative plan.

In addition, prior to selecting a proposal, the VBDHNP will determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(l).

It is the VBDHNP goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal the VBDHNP will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less. However, the VBDHNP will grant exceptions to the 20 percent standard where the VBDHNP determines that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites in:

- A census tract in which the proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;
- A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;
- A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;
- A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area;
- A census tract where there has been an overall decline in the poverty rate within the past five years; or

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- A census tract where there are meaningful opportunities for educational and economic advancement.

Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)]

NOTE: NOT APPLICABLE AT THIS TIME

The VBDHNP will not enter into an agreement to enter into a HAP contract nor enter into a HAP contract for existing or rehabilitated housing until we have determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

New Construction Site and Neighborhood Standards [24 CFR 983.57(e)]

In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD required site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- The site must have adequate utilities and streets available to service the site;
- The site must not be located in an area of minority concentration unless the VBDHNP determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
- The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and

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- Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

Environmental Review [24 CFR 983.58]

The VBDHNP activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The *responsible entity* is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The VBDHNP may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract until it has complied with the environmental review requirements.

H. DWELLING UNITS

Introduction

This part identifies the special housing quality standards that apply to the PBV program, housing accessibility for persons with disabilities, and special procedures for conducting housing quality standards inspections.

I. HOUSING QUALITY STANDARDS [24 CFR 983.101]

The housing quality standards (HQS) for the tenant-based program, including those for special housing types, generally apply to the PBV program. HQS requirements for shared housing, cooperative housing, manufactured home space rental, and the homeownership option do not apply because these housing types are not assisted under the PBV program.

The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

Lead-based Paint [24 CFR 983.101(c)]

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

Housing Accessibility for Persons With Disabilities

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The VBDHNP must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

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J. INSPECTING UNITS

Pre-selection Inspection [24 CFR 983.103(a)]

The VBDHNP must examine the proposed site before the proposal selection date. If the units to be assisted already exist, the VBDHNP must inspect all the units before the proposal selection date, and must determine whether the units substantially comply with HQS. To qualify as existing housing, units must substantially comply with HQS on the proposal selection date. However, the VBDHNP may not execute the HAP contract until the units fully comply with HQS.

Pre-HAP Contract Inspections [24 CFR 983.103(b)]

The VBDHNP will inspect each contract unit before execution of the HAP contract. The VBDHNP may not enter into a HAP contract covering a unit until the unit fully complies with HQS.

Turnover Inspections [24 CFR 983.103(c)]

Before providing assistance to a new family in a contract unit, the VBDHNP must inspect the unit. The VBDHNP may not provide assistance on behalf of the family until the unit fully complies with HQS.

Annual Inspections [24 CFR 983.103(d)]

At least annually during the term of the HAP contract, the VBDHNP must inspect a random sample, consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this annual inspection requirement.

If more than 20 percent of the annual sample of inspected contract units in a building fails the initial inspection, the VBDHNP must re-inspect 100 percent of the contract units in the building.

Other Inspections [24 CFR 983.103(e)]

The VBDHNP will inspect contract units whenever needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The VBDHNP must take into account complaints and any other information coming to its attention in scheduling inspections.

The VBDHNP will conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of HQS.

In conducting VBDHNP supervisory quality control HQS inspections, the VBDHNP should include a representative sample of both tenant-based and project-based units.

Inspecting VBDHNP-owned Units [24 CFR 983.103(f)]

In the case of VBDHNP-owned units, the inspections must be performed by an independent agency designated by the VBDHNP and approved by HUD. The independent entity must furnish a copy of each inspection report to the VBDHNP and to the HUD field office where the project is located. The VBDHNP must take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by the VBDHNP-owner.

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K. REHABILITATED AND NEWLY CONSTRUCTED UNITS

INTRODUCTION [24 CFR 983.151]

There are specific requirements that apply to PBV assistance for newly constructed or rehabilitated housing that do not apply to PBV assistance in existing housing. This part describes the requirements unique to this type of assistance.

Housing selected for this type of assistance may not at a later date be selected for PBV assistance as existing housing.

L. AGREEMENT TO ENTER INTO HAP CONTRACT

In order to offer PBV assistance in rehabilitated or newly constructed units, the VBDHNP must enter into an agreement to enter into HAP contract (Agreement) with the owner of the property. The Agreement must be in the form required by HUD [24 CFR 983.152(a)].

In the Agreement the owner agrees to develop the PBV contract units to comply with HQS, and the VBDHNP agrees that upon timely completion of such development in accordance with the terms of the Agreement, the VBDHNP will enter into a HAP contract with the owner for the contract units [24 CFR 983.152(b)].

Content of the Agreement [24 CFR 983.152(c)]

At a minimum, the Agreement must describe the following features of the housing to be developed and assisted under the PBV program:

- Site and the location of the contract units;
- Number of contract units by area (size) and number of bedrooms and bathrooms;
- Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner and utility services to be paid by the tenant;
- An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the Agreement. If applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the Agreement;
- Estimated initial rents to owner for the contract units;
- Description of the work to be performed under the Agreement. For rehabilitated units, the description must include the rehabilitation work write up and, where determined necessary by the VBDHNP, specifications and plans. For new construction units, the description must include the working drawings and specifications.
- Any additional requirements for quality, architecture, or design over and above HQS.

Execution of the Agreement [24 CFR 983.153]

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The Agreement must be executed promptly after VBDHNP notice of proposal selection to the selected owner. However, the VBDHNP may not enter into the Agreement with the owner until the subsidy layering review is completed. Likewise, the VBDHNP may not enter into the Agreement until the environmental review is completed and the VBDHNP has received environmental approval.

Subject to agreement upon all terms and conditions of the Agreement, the VBDHNP will enter into the Agreement with the owner within 10 business days of receiving both environmental approval and notice that subsidy layering requirements have been met, and before construction or rehabilitation work is started.

M. CONDUCT OF DEVELOPMENT WORK

Labor Standards [24 CFR 983.154(b)]

If an Agreement covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing. The HUD-prescribed form of the Agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates.

The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. The VBDHNP must monitor compliance with labor standards.

Equal Opportunity [24 CFR 983.154(c)]

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements.

Owner Disclosure [24 CFR 983.154(d) and (e)]

The Agreement and HAP contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

The owner must also disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.

N. COMPLETION OF HOUSING

The Agreement must specify the deadlines for completion of the housing, and the owner must develop and complete the housing in accordance with these deadlines. The Agreement must also specify the deadline for submission by the owner of the required evidence of completion.

Evidence of Completion [24 CFR 983.155(b)]

At a minimum, the owner must submit the following evidence of completion to the VBDHNP in the form

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and manner required by the VBDHNP:

- Owner certification that the work has been completed in accordance with HQS and all requirements of the Agreement; and
- Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing.

At the VBDHNP's discretion, the Agreement may specify additional documentation that must be submitted by the owner as evidence of housing completion.

The VBDHNP will determine the need for the owner to submit additional documentation as evidence of housing completion such as a certificate of occupancy or other evidence that the units comply with local requirements; and an architect's certification that the housing complies with HQS, building codes, zoning, or work specifications. Without limitation, the VBDHNP may specify any additional documentation requirements in the Agreement to enter into HAP contract.

VBDHNP Acceptance of Completed Units [24 CFR 983.156]

Upon notice from the owner that the housing is completed, the VBDHNP will inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with HQS and any additional requirements imposed under the Agreement. The VBDHNP will also determine if the owner has submitted all required evidence of completion. If the work has not been completed in accordance with the Agreement, the VBDHNP will not enter into the HAP contract.

If the VBDHNP determines the work has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, the VBDHNP will submit the HAP contract for execution by the owner and will then execute the HAP contract.

O. HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)

INTRODUCTION

The VBDHNP must enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term. The HAP contract must be in the form required by HUD [24 CFR 983.202].

HAP Contract Requirements

Contract Information [24 CFR 983.203]

The HAP contract must specify the following information:

- The total number of contract units by number of bedrooms;

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- The project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- The HAP contract term;
- The number of units in any building that will exceed the 25 percent per building cap, which will be set-aside for occupancy by qualifying families; and
- The initial rent to owner for the first 12 months of the HAP contract term.

Execution of the HAP Contract [24 CFR 983.204]

The VBDHNP may not enter into a HAP contract until each contract unit has been inspected and we have determined that the unit complies with the Housing Quality Standards (HQS). For existing housing, the HAP contract must be executed promptly after the VBDHNP selects the owner proposal and inspects the housing units. For newly constructed or rehabilitated housing the HAP contract must be executed after the VBDHNP has inspected the completed units and has determined that the units have been completed in accordance with the agreement to enter into HAP, and the owner furnishes all required evidence of completion.

For existing housing, subject to the terms, conditions and requirements of the Agreement to enter into HAP Contract, the HAP contract will be executed within 10 business days of the VBDHNP determining that all units pass HQS (NOT APPLICABLE AT THIS TIME).

For rehabilitated (rehabilitation is NOT APPLICABLE AT THIS TIME) or newly constructed housing, subject to the terms, conditions and requirements of the Agreement to enter into HAP Contract, the HAP contract will be executed within 10 business days of VBDHNP's determination that the units have been completed in accordance with the agreement to enter into HAP, all units meet HQS, and the owner has submitted all required evidence of completion.

The VBDHNP recognizes that some units in the PBV construction process may be completed over a period of time rather than all at once. In such cases the VBDHNP may inspect and accept the units in stages and may execute a HAP contract that reflects the staged acceptance.

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Term of HAP Contract [24 CFR 983.205]

The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis. Within one year before expiration of the HAP contract, the VBDHNP may extend the term of the contract for an additional term of up to five years if the VBDHNP determines an extension is appropriate to continue providing affordable housing for low-income families. Subsequent extensions are subject to the same limitations. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension.

When determining whether or not to extend an expiring PBV contract, the VBDHNP will consider several factors including, but not limited to:

- The cost of extending the contract and the amount of available budget VBDHNP;
- The condition of the contract units;
- The owner's record of compliance with obligations under the HAP contract and lease(s);
- Whether the location of the units continues to support the goals of de-concentrating poverty and expanding housing opportunities; and
- Whether the funding could be used more appropriately for tenant-based assistance.

Termination by VBDHNP [24 CFR 983.205(c)]

The HAP contract must provide that the term of the VBDHNP's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by the VBDHNP in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the VBDHNP may terminate the HAP contract by notice to the owner. The termination must be implemented in accordance with HUD instructions.

Termination by Owner [24 CFR 983.205(d)]

If in accordance with program requirements the amount of rent to an owner for any contract unit is reduced below the amount of the rent to owner at the beginning of the HAP contract term, the owner may terminate the HAP contract by giving notice to the VBDHNP. In this case, families living in the contract units must be offered tenant-based assistance.

Remedies for HQS Violations [24 CFR 983.207(b)]

The VBDHNP may not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If the VBDHNP determines that a contract unit does not comply with HQS, we may exercise any of its remedies under the HAP contract, for any or all of the contract units. Available remedies include termination of housing assistance payments, abatement or

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reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

The VBDHNP will abate and terminate PBV HAP contracts, in whole or in part, for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program. These policies are contained in Section 8-II.G., Enforcing Owner Compliance.

Amendments to the HAP Contract

Substitution of Contract Units will be pursuant to [24 CFR 983.206(a)]

Addition of Contract Units [24 CFR 983.206(b)]

The VBDHNP will consider adding contract units to the HAP contract when the VBDHNP determines that additional housing is needed to serve eligible low-income families. Circumstances may include, but are not limited to:

The local housing inventory is reduced due to a disaster (either due to loss of housing units, or an influx of displaced families); and

Voucher holders are having difficulty finding units that meet program requirements.

HAP Contract Year, Anniversary and Expiration Dates [24 CFR 983.206(c) and 983.302(e)]

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.

There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract.

Owner Responsibilities Under the HAP [24 CFR 983.209]

When the owner executes the HAP contract s/he certifies that at such execution and at all times during the term of the HAP contract:

- All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and the leases;

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- Each contract unit for which the owner is receiving HAP, is leased to an eligible family referred by the VBDHNP, and the lease is in accordance with the HAP contract and HUD requirements;
- To the best of the owner's knowledge the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family's only residence;
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
- The amount of the HAP the owner is receiving is correct under the HAP contract;
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit; and
- The family does not own or have any interest in the contract unit.

Additional HAP Requirements

Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.207(a)]

The owner is required to maintain and operate the contract units and premises in accordance with HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with the VBDHNP and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

The VBDHNP may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements must be specified in the Agreement to enter into a HAP contract and the HAP contract. These requirements must be in addition to, not in place of, compliance with HQS.

The VBDHNP will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. The VBDHNP will specify any special design standards or additional requirements in the invitation for PBV proposals, the agreement to enter into HAP contract, and the HAP contract.

Vacancy Payments [24 CFR 983.352(b)]

The VBDHNP will decide on a case-by-case basis if the VBDHNP will provide vacancy payments to the owner. The HAP contract with the owner will contain any such agreement, including the amount of the vacancy payment and the period for which the owner will qualify for these payments.

P. SELECTION OF PBV PROGRAM PARTICIPANTS

OVERVIEW

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Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

Eligibility for PBV Assistance [24 CFR 983.251(a) and (b)]

The VBDHNP may select families for the PBV program from those who are participants in the VBDHNP's tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the voucher program and does not need to be re-determined at the commencement of PBV assistance. For all others, eligibility for admission must be determined at the commencement of PBV assistance.

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and the VBDHNP, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)].

In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to the VBDHNP's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. An applicant family must also meet HUD requirements related to current or past criminal activity.

In-Place Families [24 CFR 983.251(b)]

An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by the VBDHNP is considered an "in-place family." These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on the VBDHNP's waiting list. Once the family's continued eligibility is determined (the VBDHNP may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family must be given an absolute selection preference and the VBDHNP must refer these families to the project owner for an appropriately sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.

This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

Q. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c)]

The VBDHNP will establish a separate waiting list for the VBDHNP's entire PBV program. Provided that VBDHNP may establish separate waiting lists for PBV units in particular projects or buildings or for sets of such units if such projects/buildings/units are subject to additional occupancy requirements as a result of LIHTC, bond financing, or governmental assistance.

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Selection from the Waiting List [24 CFR 983.251(c)]

Applicants who will occupy units with PBV assistance must be selected from the VBDHNP'S waiting list. The VBDHNP may establish selection criteria or preferences for occupancy of particular PBV units. The VBDHNP may place families referred by the PBV owner on its PBV waiting list.

Income Targeting [24 CFR 983.251(c)(6)]

At least 75 percent of the families admitted to the VBDHNP's tenant-based and project-based voucher programs during the VBDHNP fiscal year from the waiting list must be extremely-low income families. The income targeting requirement applies to the total of admissions to both programs.

Units with Accessibility Features [24 CFR 983.251(c)(7)]

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, the VBDHNP must first refer families who require such features to the owner.

R. OFFER OF PBV ASSISTANCE

Refusal of Offer [24 CFR 983.251(e)(3)]

The VBDHNP is prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the waiting list for tenant-based voucher assistance;
- Deny any admission preference for which the applicant qualifies;
- Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under the VBDHNP's selection policy;
- Remove the applicant from the tenant-based voucher waiting list.

Disapproval by Landlord [24 CFR 983.251(e)(2)]

If a PBV owner rejects a family for admission to the owner's units, such rejection may not affect the family's position on the tenant-based voucher waiting list.

Acceptance of Offer [24 CFR 983.252]

Family Briefing

When a family accepts an offer for PBV assistance, the VBDHNP must give the family an oral briefing. The briefing must include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the VBDHNP must provide a briefing packet that explains how the VBDHNP determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

Persons with Disabilities

If an applicant family's head or spouse is disabled, the VBDHNP must assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available (see Chapter 2). In addition, the VBDHNP

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must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

Persons with Limited English Proficiency

The VBDHNP should take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2).

S. OWNER SELECTION OF TENANTS

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(b)].

Leasing [24 CFR 983.253(a)]

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by the VBDHNP from the waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the VBDHNP's subsidy standards.

Filling Vacancies [24 CFR 983.254(a)]

The owner must notify the VBDHNP in writing (mail, fax, or e-mail) within 5 business days of learning about any vacancy or expected vacancy.

The VBDHNP will make every reasonable effort to refer families to the owner within 20 business days of receiving such notice from the owner.

Reduction in HAP Contract Units Due to Vacancies [24 CFR 983.254(b)]

If any contract units have been vacant for 120 days, the VBDHNP will give notice to the owner that the HAP contract may be amended to reduce the number of contract units that have been vacant for this period. The VBDHNP will provide the notice to the owner within 10 business days of the 120th day of the vacancy. The amendment to the HAP contract will be effective the 1st day of the month following the date of the VBDHNP's notice.

Tenant Screening [24 CFR 983.255]

VBDHNP Responsibility

The VBDHNP will offer the owner other information we may have about a family, including information about the tenancy history of family members or about drug trafficking and criminal activity by family members.

The VBDHNP will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the turnover HQS inspection or before.

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Owner Responsibility

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

- Payment of rent and utility bills;
- Caring for a unit and premises;
- Respecting the rights of other residents to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and
- Compliance with other essential conditions of tenancy.

T. OCCUPANCY AND LEASING

OVERVIEW

After an applicant has been selected from the waiting list, determined eligible by the VBDHNP, referred to an owner and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

Lease [24 CFR 983.256]

The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Form of Lease [24 CFR 983.256(b)]

The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

Lease Requirements [24 CFR 983.256(c)]

The lease for a PBV unit must specify all of the following information:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;
- A specification of the services, maintenance, equipment, and utilities that will be provide by the owner; and

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- The amount of any charges for food, furniture, or supportive services.

Tenancy Addendum [24 CFR 983.256(d)]

The tenancy addendum in the lease must state:

- The program tenancy requirements;
- The composition of the household as approved by the VBDHNP (the names of family members and any VBDHNP-approved live-in aide);
- All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

Initial Term and Lease Renewal [24 CFR 983.256(f) and 983.257(b)]

The initial lease term must be for at least one year. Upon expiration of the lease, an owner may renew the lease, refuse to renew the lease for “good cause,” or refuse to renew the lease without good cause. If the owner refuses to renew the lease without good cause, the VBDHNP must provide the family with a tenant-based voucher and remove the unit from the PBV HAP contract.

Changes in the Lease [24 CFR 983.256(e)]

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give the VBDHNP a copy of all changes.

The owner must notify the VBDHNP in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by the VBDHNP and in accordance with the terms of the lease relating to its amendment. The VBDHNP must re-determine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The re-determined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

Owner Termination of Tenancy [24 CFR 983.257]

With three exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for “good cause” does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

Non-Compliance with Supportive Services Requirement [24 CFR 983.257(c)]

If a family is living in a project-based unit that is excepted from the 25 percent per building cap on project-basing because of participation in a supportive services program (e.g., Family Self-Sufficiency), and the family fails to complete its supportive services requirement without good cause, such failure is grounds for lease termination by the owner.

Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]

The owner may specify in the lease a maximum period of tenant absence from the unit that is shorter than the maximum period permitted by VBDHNP policy. According to program requirements, the family’s

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assistance must be terminated if they are absent from the unit for more than 180 consecutive days.

Tenant Non-Compliance with Funding Source Requirements

If in conjunction with obtaining PBV assistance, owner financed the construction or rehabilitation of the PBV units through the use of LIHTC or multifamily bond financing assistance and tenant's continued occupancy of the PBV unit would result in a breach, default, or non-compliance under the affordable housing requirements related to such assistance, then owner may terminate the tenant's lease. In such event, the VBDHNP shall assist the tenant in finding replacement housing and the VBDHNP shall offer the tenant the opportunity to continue receiving housing assistance in another unit or development (provided tenant remains eligible for same).

Security Deposits [24 CFR 983.258]

The VBDHNP prohibits the owner from collecting security deposits in excess of amounts charged by the owner to unassisted tenants. In addition, security deposits cannot exceed one month's rent.

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. The VBDHNP has no liability or responsibility for payment of any amount owed by the family to the owner.

U. MOVES

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.259]

The VBDHNP will notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit within 10 business days of the VBDHNP's determination. The VBDHNP will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

PBV assistance in the same building or project;

PBV assistance in another project; and

Tenant-based voucher assistance.

When the VBDHNP offers a family another form of assistance that is not a tenant-based voucher, the family will be given 30 days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 30-day time frame, the VBDHNP may terminate the housing assistance payments at the expiration of this 30-day period.

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The VBDHNP may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

Family Right to Move [24 CFR 983.260]

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to the VBDHNP. If the family wishes to move with continued tenant-based assistance, the family must contact the VBDHNP to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements, the VBDHNP is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If voucher or other comparable tenant-based assistance is not immediately available upon termination of the family's lease in the PBV unit, the VBDHNP must give the family priority to receive the next available opportunity for continued tenant-based assistance.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

Exceptions to the Occupancy Cap [24 CFR 983.261]

When the VBDHNP determines that a family no longer meets the criteria for a "qualifying family" in connection with the 25 percent per building cap exception, the VBDHNP will provide written notice to the family and owner within 10 business days of making the determination. The family will be given 30 days from the date of the notice to move out of the PBV unit. If the family does not move out within this 30-day time frame and the owner has not commenced eviction proceedings, the VBDHNP will terminate the housing assistance payments at the expiration of this 30-day period.

The VBDHNP may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

The VBDHNP may refer other eligible families to the excepted units. However, if there are no eligible families on the waiting list and the owner does not refer eligible families to the VBDHNP, the VBDHNP may amend the HAP contract to reduce the total number of units under contract.

V. DETERMINING RENT TO OWNER

INTRODUCTION

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the agreement to enter into HAP Contract (Agreement) states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

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During the term of the HAP contract, the rent to owner is re-determined at the owner's request in accordance with program requirements, and at such time that there is a five percent or greater decrease in the published FMR.

Rent Limits [24 CFR 983.301]

Except for certain tax credit units (discussed below), the rent to owner must not exceed the lowest of the following amounts:

- An amount not to exceed 110 percent of the applicable fair market rent (or any HUD-approved exception payment standard) for the unit bedroom size minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

Certain Tax Credit Units [24 CFR 983.301(c)]

For certain tax credit units, the rent limits are determined differently than for other PBV units. These different limits apply to contract units that meet all of the following criteria:

- The contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986;
- The contract unit is not located in a qualified census tract;
- There are comparable tax credit units of the same bedroom size as the contract unit in the same building, and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds the fair market rent or any approved exception payment standard);

For contract units that meet all of these criteria, the rent to owner must not exceed the lowest of:

- The tax credit rent minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

Definitions

A qualified census tract is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

Tax credit rent is the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

Use of FMRs, Exception Payment Standards, and Utility Allowances [24 CFR 983.301(f)]

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When determining the initial rent to owner, the VBDHNP must use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. When re-determining the rent to owner, the VBDHNP must use the most recently published FMR and the utility allowance schedule in effect at the time of re-determination. At its discretion, the VBDHNP may for initial rent, use the amounts in effect at any time during the 30-day period immediately before the beginning date of the HAP contract, or for re-determinations of rent, the 30-day period immediately before the re-determination date.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. HUD will not approve a different exception payment stand amount for use in the PBV program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

Upon written request by the owner, the VBDHNP will consider using the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or re-determination of rent. The owner must explain the need to use the previous FMRs or utility allowances and include documentation in support of the request. The VBDHNP will review and make a decision based on the circumstances and merit of each request.

In addition to considering a written request from an owner, the VBDHNP may decide to use the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or re-determination of rent, if the VBDHNP determines it is necessary due to VBDHNP budgetary constraints.

Re-determination of Rent [24 CFR 983.302]

The VBDHNP will re-determine the rent to owner upon the owner's request or when there is a five percent or greater decrease in the published FMR.

Rent Increase

If an owner wishes to request an increase in the rent to owner from the VBDHNP, it must be requested at the annual anniversary of the HAP contract (see Section 17-V.D.). The request must be in writing and in the form and manner required by the VBDHNP. The VBDHNP may only make rent increases in accordance with the rent limits described previously. There are no provisions in the PBV program for special adjustments (e.g., adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs).

An owner's request for a rent increase must be submitted to the VBDHNP 60 days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is proposing.

The VBDHNP may not approve and the owner may not receive any increase of rent to owner until and unless the owner has complied with requirements of the HAP contract, including compliance with HQS. The owner may not receive any retroactive increase of rent for any period of noncompliance.

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Rent Decrease

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment.

Notice of Rent Change

The rent to owner is re-determined by written notice by the VBDHNP to the owner specifying the amount of the re-determined rent. The VBDHNP notice of rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract. The adjusted amount of rent to owner applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

The VBDHNP will provide the owner with at least 30 days written notice of any change in the amount of rent to owner.

Reasonable Rent [24 CFR 983.303]

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by the VBDHNP.

When Rent Reasonable Determinations are Required

The VBDHNP must re-determine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:

- There is a five percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date;
- The VBDHNP approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- The HAP contract is amended to substitute a different contract unit in the same building; or
- There is any other change that may substantially affect the reasonable rent.

How to Determine Reasonable Rent

The reasonable rent of a unit receiving PBV assistance must be determined by comparison to rent for other comparable unassisted units. When making this determination, the VBDHNP must consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

Comparability Analysis

For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and must be retained by the VBDHNP. The comparability analysis may be performed by VBDHNP staff or by another qualified person or entity. Those who

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conduct these analyses or are involved in determining the housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

VBDHNP-owned Units

For VBDHNP-owned units, the amount of the reasonable rent must be determined by an independent agency approved by HUD in accordance with PBV program requirements. The independent entity must provide a copy of the determination of reasonable rent for VBDHNP-owned units to the VBDHNP and to the HUD field office where the project is located.

Owner Certification of Reasonable Rent

By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, the VBDHNP may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

Effect of Other Subsidy and Rent Control

In addition to the rent limits discussed in Section 17-VIII.B above, other restrictions may limit the amount of rent to owner in a PBV unit. In addition, certain types of subsidized housing are not even eligible to receive PBV assistance (see Section 17-II.D).

Other Subsidy [24 CFR 983.304]

At its discretion, a VBDHNP may reduce the initial rent to owner because of other governmental subsidies, including tax credit or tax exemption, grants, or other subsidized financing.

For units receiving assistance under the HOME program, rents may not exceed rent limits as required by that program.

For units in any of the following types of federally subsidized projects, the rent to owner may not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

- An insured or non-insured Section 236 project;
- A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
- A Section 221(d)(3) below market interest rate (BMIR) project;
- A Section 515 project of the Rural Housing Service;
- A project receiving low-income housing tax credits;
- Any other type of federally subsidized project specified by HUD.

Combining Subsidy

Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements.

Rent Control [24 CFR 983.305]

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In addition to the rent limits set by PBV program regulations, the amount of rent to owner may also be subject to rent control or other limits under local, state, or federal law.

W. PAYMENTS TO OWNER

HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351]

During the term of the HAP contract, the VBDHNP will make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and the VBDHNP agree on a later date.

Except for discretionary vacancy payments, the VBDHNP may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

The amount of the housing assistance payment by the VBDHNP is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance). In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

Vacancy Payments [24 CFR 983.352]

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if the VBDHNP determines that the vacancy is the owner's fault.

If the VBDHNP determines that the owner is responsible for a vacancy and, as a result, is not entitled to keep the housing assistance payment, the VBDHNP will notify the landlord of the amount of housing assistance payment that the owner must repay.

X. TENANT RENT TO OWNER [24 CFR 983.353]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the VBDHNP in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the VBDHNP notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the VBDHNP is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the VBDHNP. The owner must immediately return any excess payment to the tenant.

Tenant and VBDHNP Responsibilities

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The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the VBDHNP

Likewise, the VBDHNP is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The VBDHNP is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The VBDHNP may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

Utility Reimbursements

If the amount of the utility allowance exceeds the total tenant payment, the VBDHNP will pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

The VBDHNP will make utility reimbursements to the family.

Y. OTHER FEES AND CHARGES [24 CFR 983.354]

Meals and Supportive Services

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

Other Charges by Owner

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.



**ADDENDUM
PROGRAM INTEGRITY**

[24CFR 792.101 to 792.204,982.54] [HCV Guidebook-Chptr 22]

INTRODUCTION

PHA's maintain their credibility with applicant and participant families, owners, HUD, and the larger community by enforcing program requirements. When families, owners, or PHA employees fail to adhere to program requirements, the PHA must take appropriate action. The action that is appropriate depends on the particular case of circumstances.

PHA's should address program errors, omissions, fraud, or abuse through both *prevention* and *detection*. Preventive measures are the most effective way to deter widespread program irregularities. [Housing Choice Voucher Guide Book 22.1]

VBDHNP is committed to assuring that the proper level of benefits is paid to all participating families and that housing resources reach only income-eligible families so that program integrity can be maintained .

VBDHNP will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

This chapter outlines VBDHNP's policies for the prevention, detection, and investigation of program abuse and fraud.

A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

It is important that PHA staff recognize the differences between unintentional and intentional misreporting. Particularly in cases of intentional misreporting, PHA staff must be able to evaluate the special circumstances and seriousness of the case to determine whether it is a case of fraud. PHA's must also establish policies and procedures for fair and consistent treatment of cases of intentional misreporting, abuse, and fraud. A policy that clearly defines circumstances under which a family or owner would be terminated from the program, but also allows the PHA to consider mitigating circumstances before terminating, is best. [HCV Guidebook Chptr 22-See table at end of Appendix]

Under no circumstances will VBDHNP undertake an inquiry or an audit of a participating family arbitrarily. VBDHNP's expectation is that participating families will comply with HUD requirements, provisions of the voucher, and other program rules. VBDHNP staff will make every effort (formally and informally) to orient and educate all families in order to avoid unintentional violations. However, VBDHNP has a responsibility to HUD, the community, and eligible families in need of housing assistance to monitor participants and owners for compliance and, when indicators of possible abuse come to VBDHNP's attention, to investigate such claims.

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

Referrals, Complaints, or Tips. VBDHNP will follow up on referrals received by mail, by telephone, or in person from other agencies, companies or persons alleging that a family is in noncompliance with or otherwise violating the family obligations or any other program rules. Such follow-up will be made

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providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the family's file.

Internal File Review. A follow-up will be made if VBDHNP staff discovers (as a function of a certification or recertification, an interim re-determination, or a quality control review) information or facts that conflict with previous file data, VBDHNP's knowledge of the family, or statements made by the family.

Verification of Documentation. A follow-up will be made if VBDHNP receives independent verification or documentation that conflicts with representations in the family's file (such as public record information or reports from credit bureaus or other agencies).

B. STEPS VBDHNP WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD

VBDHNP management and staff will utilize various methods and practices (listed below) to prevent program abuse, noncompliance, and willful violations of program rules by applicants and participating families. This policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by families.

Things You Should Know (HUD-1140-0IG). This program integrity bulletin (created by HUD's inspector general) will be furnished and explained to all applicants to promote understanding of program rules and to clarify VBDHNP's expectations for cooperation and compliance .

Program Orientation Session. Mandatory orientation sessions will be conducted by VBDHNP staff for all prospective program participants, either prior to or upon issuance of a voucher. At the conclusion of all program orientation sessions, the family representative will be required to sign a program briefing certificate to confirm that all rules and pertinent regulations were explained to them.

Resident Counseling. VBDHNP will routinely provide participant counseling as a part of every recertification interview in order to clarify any confusion pertaining to program rules and requirements.

Review and Explanation of Forms. Staff will explain all required forms and review the contents of all (re)certification documents prior to signature. .

Use of Instructive Signs and Warnings. Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse.

Participant Certification. All family representatives will be required to sign a Certification of Family Responsibility.

C. STEPS VBDHNP WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD

VBDHNP staff will maintain a high level of alertness to indicators of possible abuse and fraud by assisted families.

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Quality Control File Reviews. Prior to initial certification and at the completion of all subsequent re-certifications, files will be reviewed in accordance with HCV Management Assessment (SEMAP) program guidelines. At a minimum, such reviews shall examine:

- Verification of all income and deductions
- Changes in reported Social Security numbers or dates of birth
- Authenticity of file documents
- Consistency of signatures with previously signed file documents
- Dates and signatures on all documents
- Verification of rent calculations and utility allowances

Observation. VBDHNP management and occupancy staff (to include inspection personnel) will maintain high awareness of circumstances that may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income. Observations will be documented in the family's file.

Public Record Bulletins. These bulletins may be reviewed by management and staff.

State Wage Data Record Keepers. Inquiries to state wage and employment record- keeping agencies, as authorized under Public Law 100-628, the Stewart B. McKinley Homeless Assistance Amendments Act of 1988, may be made annually in order to detect unreported wages or unemployment compensation benefits.

Credit Bureau Inquiries. Credit bureau inquiries may be made (with proper authorization by the participant) in the following circumstances:

- When an allegation is received by VBDHNP wherein unreported income sources are disclosed
- When a participant's expenditures exceed his/her reported income and no plausible explanation is given

D. VBDHNP'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD

VBDHNP staff will encourage all participating families to report suspected abuse to the HCV Rental Housing Program Administrator, HCV Program Coordinator, Rental Housing Fraud Investigator, and/or their Housing Specialist. All allegations, complaints, and tips will be carefully evaluated to determine whether they warrant follow-up. VBDHNP will not follow up on allegations that are vague or otherwise nonspecific. They will only review allegations that contain one or more independently verifiable facts.

File Review. An internal file review will be conducted to determine whether the subject of the allegation is a client of VBDHNP and, if so, whether or not the information reported has been previously disclosed by the family.

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VBDHNP will then determine whether it is the most appropriate authority to do a follow-up (as compared to police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.

Conclusion of Preliminary Review. If at the conclusion of the preliminary file review there

are facts contained in the allegation that conflict with file data and that are independently verifiable, the Rental Housing Administrator, Housing program Coordinator, or the Fraud Investigator will initiate an investigation to determine if the allegation is true or false.

E. OVERPAYMENTS TO OWNERS

VBDHNP will make every effort to recover any overpayments made as a result of landlord fraud or abuse. Payments otherwise due to the owner may be debited in order to repay VBDHNP or the tenant, as applicable.

F. HOW VBDHNP WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD

If VBDHNP determines that an allegation or referral warrants follow-up, either the staff person who is responsible for the file or a person designated by the executive director to monitor program compliance will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include the items listed below. In all cases, VBDHNP will secure the written authorization from the program participant for the release of information .

- **Credit Bureau Inquiries.** In cases involving previously unreported income sources, a credit bureau inquiry may be made to determine whether the financial activity of a family conflicts with the family's reported income.
- **Verification of Credit.** In cases where the financial activity conflicts with file data, a verification of credit form may be mailed to the creditor to determine the source of unreported income.
- **Employers and Ex-Employers.** Employers or ex-employers may be contacted to verify wages that may have been previously undisclosed or misreported.
- **Neighbors/Witnesses.** Neighbors and/or other witnesses who are believed to have direct or indirect knowledge of facts pertaining to VBDHNP's review may be interviewed.
- **Other Agencies.** Investigators, caseworkers or representatives of other benefit agencies may be contacted.
- **Public Records.** VBDHNP will review any relevant public records kept in a jurisdictional courthouse. Examples of public records that may be checked are real estate records, marriage and divorce records, uniform commercial code financing statements, voter registration rolls, judgments, court or police records, state wage records, utility records, and postal records.

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• Interviews with Head of Household or Family Members. VBDHNP will discuss the allegation (or details thereof) with the head of household or family members by scheduling an appointment at the appropriate VBDHNP office. A high standard of courtesy and professionalism will be maintained by VBDHNP staff person who conducts such interviews. Under no circumstances will inflammatory language, accusations, or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff person will attend such interviews.

G. PLACEMENT OF DOCUMENTS, EVIDENCE, AND STATEMENTS OBTAINED BYVBDHNP

Documents and other evidence obtained by VBDHNP during the course of an investigation will be considered "work product" and will be kept either in the participant's file or in a separate "work file." In either case, the participant's file or work file will be kept in a locked file cabinet. Such cases under review will be discussed only among VBDHNP staff who are involved in the process or have information that may assist in the investigation.

H. CONCLUSION OF VBDHNP'S INVESTIGATIVE REVIEW

At the conclusion of the investigative review, the reviewer will report the findings to the executive director or designee. It will then be determined whether the facts are inconclusive and, if so, whether a violation has or has not occurred.

I. EVALUATION OF THE FINDINGS

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

- What type of violation has occurred (procedural noncompliance or fraud)
- Whether the violation was intentional or unintentional
- What amount of money (if any) is owed by the family
- Whether the family is eligible for continued occupancy

J. ACTION PROCEDURES FOR DOCUMENTED VIOLATIONS

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

1. **Procedural Noncompliance.** This category applies when the family "fails to" observe a procedure or requirement of VBDHNP but does not misrepresent a material fact and there are no retroactive assistance payments owed by the family.

Examples of non-compliance violations are:

- Failure to appear at a prescheduled appointment

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- Failure to return verification in the time period specified by VBDHNP

(a) **Warning Notice to the Family.** In such cases a notice containing the following will be sent to the family:

- A description of the noncompliance and the procedure, policy, or obligation that was violated
- The date by which the violation must be corrected or the procedure complied with
- The action that will be taken by VBDHNP if the procedure or obligation is not complied with by the date specified by VBDHNP
- The consequences of repeated (similar) violations

2. Procedural Noncompliance - Overpaid Assistance. When the family owes money to VBDHNP for failure to report changes in income or assets, VBDHNP will issue a notice of overpayment of assistance. This notice will contain the following:

- A description of the violation and the date(s)
- The amount owed to VBDHNP
- The number of days within which a response must be received
- Acknowledgment of the family's right to disagree and to request an informal hearing along with instructions for requesting such a hearing

(a) Participant Fails to Comply with VBDHNP's Notice. If the Participant fails to comply with VBDHNP's notice and a family obligation has been violated, VBDHNP will initiate termination of assistance.

(b) Participant Complies with VBDHNP's Notice. When a family complies with VBDHNP's notice, the staff person responsible will meet with him/her to explain and discuss the family obligation or program rule that was violated. The staff person will complete a participant counseling report, give one copy to the family, and retain a copy in the family's file.

3. Intentional Misrepresentations. When a participant falsifies, misstates, omits, or otherwise misrepresents a material fact which results (or would have resulted) in an overpayment of housing assistance by VBDHNP, VBDHNP will evaluate whether or not:

- The participant had knowledge that his/her actions were wrong
- The participant willfully violated the family obligations or the law

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Knowledge. This will be evaluated by determining whether the participant was made aware of program requirements and prohibitions. The participant's signature on various certifications, the briefing certificate, and the personal declaration are adequate to establish knowledge of wrongdoing.

Willful Intent. Any of the following circumstances will be considered adequate to demonstrate willful intent:

- (a) An admission by the participant of the misrepresentation
- (b) Repetition of the misrepresentation
- (c) Use of a false name or Social Security number
- (d) Admissions of the illegal action or omission by the participant to others
- (e) Omission of material facts known to the participant (e.g., employment of the participant or other household member)
- (f) Falsification, forgery or altering of documents
- (g) Uttering and certifying to statements at an interim (re)determination that are later independently verified to be false

4. Dispositions of Cases Involving Misrepresentations. In all cases of misrepresentations involving efforts to recover monies owed, VBDHNP may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

(a) Criminal Prosecution. If VBDHNP has established criminal intent and the case meets the criteria for prosecution, VBDHNP will refer the case to the local state or district attorney, notify HUD's regional inspector general for investigation (RIG!), and terminate rental assistance.

(b) Administrative Remedies. VBDHNP will terminate assistance and execute an administrative repayment agreement in accordance with VBDHNP's repayment policy

5. The Case Conference for Serious Violations and Misrepresentations. When VBDHNP has established that a material misrepresentation has occurred, a case conference will be scheduled with the family representative and VBDHNP staff person who is most knowledgeable about the circumstances of the case .

This conference will take place prior to any proposed action by VBDHNP. The purpose of such a conference is to review the information and evidence obtained by VBDHNP with the participant and to give the participant an opportunity to explain any document findings that conflict with representations in the family's file. Any documents or mitigating circumstances presented by the family will be taken into consideration by VBDHNP. The family will be given 5 working days to furnish any mitigating evidence.

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

- The duration of the violation
- The number of false statements
- The family's ability to understand the rules
- The family's willingness to cooperate and to accept responsibility for the family's actions
- The amount of money involved
- The family's history
- The presence or absence of criminal intent

6. Notification to Participant of Proposed Action. VBDHNP will notify the family of the proposed action no later than 5 working days after the case conference by certified mail.

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ERRORS AND OMISSIONS VS. FRAUD AND ABUSE		
HCV GuideBook Chptr 22		
By the Family	By the Owner	By the PHA
<ul style="list-style-type: none"> • Failure to report required information due to lack of understanding, such as omitting a particular asset or failing to report a source of income. • Incorrect reporting, such as reporting the income source but incorrectly stating the amount of income. • Failure to report changes as required, such as failure to notify the PHA of a change in family composition or income. • Intentionally misrepresenting income, assets, and allowances. • Intentionally misrepresenting family composition. • Initiating and participating in bribes or other illegal activities. 	<ul style="list-style-type: none"> • Collecting housing assistance payments for an unoccupied unit, when the owner is not aware that the assisted family has vacated. • Errors in specifying responsibilities for utility payments. • Collecting extra or "side" payments in excess of the family share of rent or requiring the family to perform extraordinary services in lieu of payments. • Charging families for utilities that are the owner's responsibility. • Collecting housing assistance payments for units not occupied by program participants. • Bribing PHA employees to certify a substandard unit as passing HQS. • Other HQS violations involving misrepresentation and deceit. 	<ul style="list-style-type: none"> • Unintentionally miscalculating subsidy/rent. • Unintentionally determining eligible families as ineligible and vice versa. • Unintentionally approving rents that are not reasonable. • Misinterpreting documentation or information provided by a third party. • Forgetting to inform the participant of a reporting requirement or to collect all required information during an interview. • Unknowingly failing to apply program rules and procedures properly. • Late processing. • Willful passing of units not meeting HQS and/or local standards. • Accepting kickbacks from owners, managers, or families to permit participation or to allow rents in excess of the rent reasonableness limitation. • Intentionally calculating total tenant payment or housing assistance payments incorrectly. • Intentionally making incorrect determinations



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		of family eligibility, including certifying as eligible otherwise ineligible applicants, coaching applicants to falsify documents, or changing an applicant's position on the waiting list.
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