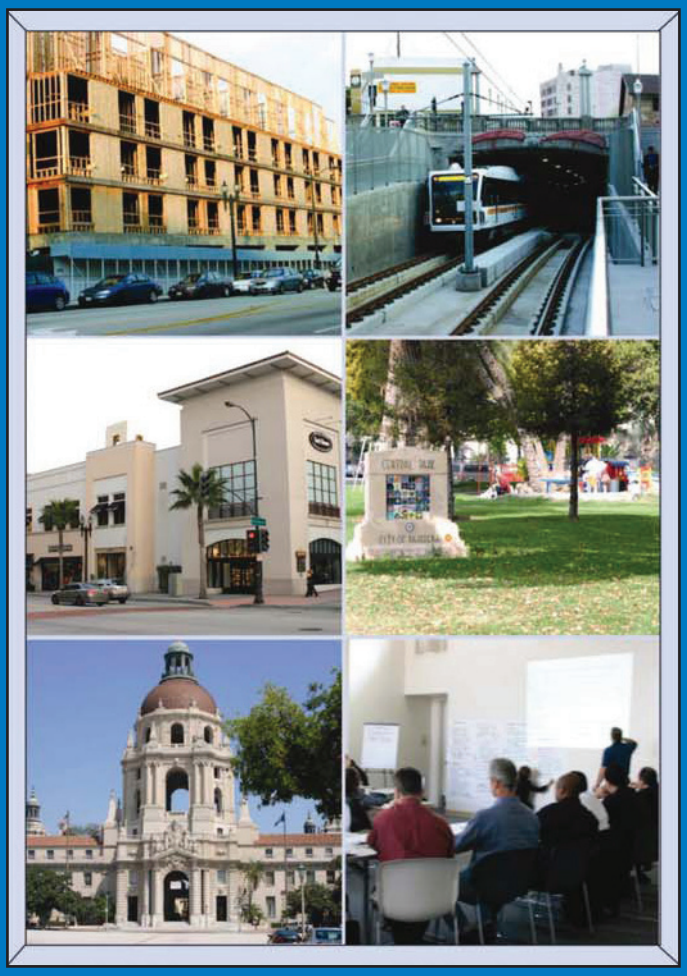
CITY OF PASADENA

PASADENA COMMUNITY DEVELOPMENT COMMISSION
PUBLIC HOUSING AGENCY

Annual Plan 2011



Annual Plan

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

OMB No. 2577-0226
Expires 4/30/2011

PASADENA COMMUNITY DEVELOPMENT COMMISSION (PCDC)

Public Housing Agency (PHA)
Annual Plan for Fiscal Year 2011

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Attachments

Required Submission:

- (Attachment A) *Form HUD-50077, PHA Certifications of Compliance with the PHA Plans and Related Regulations*
- (Attachment B) *Form HUD-50077-CR,, Civil Rights Certification*
- (Attachment C) *Form HUD-50071, Certification of Payments to Influence Federal Transactions*
- (Attachment D) *Form HUD-50070, Certification for a Drug-Free Workplace*
- (Attachment E) *Resident Advisory Board (RAB) comments*
- (Attachment F) *Public Notices/Public Hearing Comments*
- (Attachment G) *Housing Department Organization Chart*
- (Attachment H) *PCDC Rental Assistance 2011 Administrative Plan*
- (Attachment I) *City of Pasadena-Single Audit Report (Year ended June 30, 2010)*

PHA Annual Plan
Agency Identification

1.0
PHA Name: Pasadena Community Development Commission
PHA Number: CA 079

PHA Fiscal Year Beginning: (July 2011)

PHA Programs Administered:
☐ **Public Housing and Section 8** ☒ **Section 8 Only** ☐ **Public Housing Only**

2.0
Number of public housing units: 0
Number of S8 units: 1417

Number of public housing units:

3.0	**Submission Type** ☐ 5-Year and Annual Plan ☒ Annual Plan Only ☐ 5-Year Plan Only

4.0 ☐ **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:				

5.0	**5-Year Plan.** Complete items 5.1 and 5.2 only at 5-Year Plan update.
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:**
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.**

PHA Plan Update

6.0

(a) Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission: 2011 Annual PHA Plan and 2011 Administrative Plan

(b) Identify the specific location(s) where the public may obtain copies of the Annual PHA Plan. For a complete list of PHA Plan elements, see Section 6.0 of the instructions.

PCDC's Main Administrative Office:

City of Pasadena
Housing Department
649 N. Fair Oaks Avenue, Suite 202
Pasadena, CA 91103

All Branches of the Pasadena Public Library:

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

Other Locations:

City of Pasadena
Office of the City Clerk
100 North Garfield Avenue, Room S228
Pasadena, CA 91109

Community Facilities:

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

PHA Plan 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.

ELIGIBILITY FACTORS

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

1. An applicant must be a "family."

2. A family must be income-eligible, within the appropriate income limits.

3. A family must be a citizen or a non-citizen who has eligible immigration status.

4. A family must sign an "Authorization for the Release of Information/Privacy Act Notice" form (Form HUD-9886) and PCDC forms.

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

For the PCDC's additional criteria for eligibility, see Chapter 2, Section F, "Other Criteria for Admission" in the 2011 Administrative Plan.

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

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

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

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

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

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

2. No family member may have committed fraud, bribery, or any other corrupt or criminal act in

connection with any Federal housing program in the last five years unless the PCDC or PHA has imposed a lifetime restriction from participating due to the nature of the violation(s), crime or offense.

3. Family must have paid any outstanding debt owed the PCDC or another housing agency as a result of prior participation in any Federal housing program. Family will have 90 days to pay any outstanding debts in full once their name has been reached.

4. No member of the family may have engaged in drug-related or violent criminal activity within the last five years.

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

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

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

5. No family member may have been evicted from Federally assisted housing for any reason during the last five years.

6. No family member may have engaged in or threatened abusive or violent behavior toward PCDC personnel or their property.

7. Family member(s) must not be subject to a lifetime registration requirement under a State sex offender registration program.

8. No family member may have been convicted of drug-related criminal activity involving manufacture or production of methamphetamine on the premises of Federally assisted housing.

9. Students enrolled in an institution of higher education, who are:

   a. Under the age of 24;
   b. Not a veteran;
   c. Unmarried;
   d. Do not have a dependent child;
   e. Have not established a separate household from their parents or legal guardians for at least one year prior to applying for rental assistance;
   f. Nor claimed as a dependent by parents or legal guardians on their Internal Revenue Services tax return; and
   g. Not receiving financial support from parent or legal guardians.

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

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

When HUD awards the PCDC funding for a specified category of families on the waiting list, the PCDC must select applicant families in the specified category. The PCDC must be a single waiting list for admission to its Section 8 Tenant-Based Assistance Program (TBAP).

WAITING LIST PREFERENCES [24 CFR 982.553]

An applicant will not be granted any preference if any member of the family has been evicted from any Federally assisted housing during the past five years because of drug-related criminal activity or due to any program violations.

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

1. The responsible member has successfully completed a rehabilitation program.

2. The evicted person was not involved in the drug-related activity that occasioned the eviction.

3. The evicted person is no longer involved in any drug-related criminal activity.

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

LOCAL PREFERENCES [24 CFR 982.207]

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

The PCDC uses the following local preferences:

1. Residency preference for applicants in which the head of household or spouse lives in Pasadena.

2. Applicants in which the head of household or spouse works full-time or attends school full-time (as defined by the school or institution) within the PCDC's jurisdiction.

3. Disabled preference for applicants in which the head of household or spouse is disabled.

4. Veteran preference in which the head of household is a current member of the military, a veteran, or the surviving spouse of a veteran.

5. Applicants who have been involuntarily displaced (as described below).

    1. Families who claim Involuntary Displacement due to:

        a. Disaster or Government Action:
        Written verification by the displacing unit or agency of government, or by a

service agency such as the Red Cross.

b. Actions taken by the family's current property owner/agent:
Written notification by owner to family of the action/written verification by the owner or agent, or documents such as sales agreements, foreclosure notices or building permits.

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

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

The family must certify that the abuser will not return to the household without the advance written approval of the PCDC.

Before giving approval, the PCDC will require verification of the following:

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

d. Witness Protection Program:
Certification of participation by a law enforcement agency of participation in the Witness Protection Program. Written recommendation from law enforcement agency or HUD.

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

f. Inaccessibility of Unit:
Statement from the owner of the critical elements that are inaccessible, and that the owner is not going to make the needed modifications, or permit the family to make the modifications. Inspection by PCDC to verify inaccessibility of critical elements.

Statement from the owner of the building that the accommodations required will not be made. If the owner permits the tenant to make the modifications, verification that the family cannot afford the expense.

g. HUD Disposition of a Project:
Written verification from HUD.

6. Applicants who are currently residing in substandard housing (as described below).

Living in Substandard Housing:

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

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

An applicant shall be given the benefit of the working preference if the head and spouse, or sole member is age 62 or older or is a person with disabilities.

Preferences will be verified pursuant to the verification process outlined in Chapter 7 of the 2011 Administrative Plan.

(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.

Financial Resources: Planned Sources and Uses		
Sources	**Planned $**	**Planned Uses**
1. **Federal Grants (FY 2010 grants)**	N/A	
a) Public Housing Operating Fund	N/A	
b) Public Housing Capital Fund	N/A	
c) HOPE VI Revitalization	N/A	
d) HOPE VI Demolition	N/A	
e) Annual Contributions for Section 8 Tenant-Based Assistance	$13,200,000	
f) Public Housing Drug Elimination Program (including any Technical Assistance funds)	N/A	
g) Resident Opportunity and Self-Sufficiency Grants	N/A	
h) Community Development Block Grant (CDBG)	$2,471,427	Economic Development; Youth Diversion; Housing Rehab; Family Empowerment; and Public Services Programs.
i) Community Development Block Grant (CDBG) Stimulus funding	$188,187	Economic Development; Youth Diversion; Housing Rehab; Family Empowerment; and Public Services Programs.
j) HOME (Tenant-based Rental Assistance)	$540,000	Tenant-based rental assistance for families in crisis (victims of domestic violence or hate crimes, involuntarily displaced, at-risk for homelessness).

Financial Resources: Planned Sources and Uses		
Sources	**Planned $**	**Planned Uses**
k) HOME Emergency Rental Assistance Deposit	$85, 000	Zero interest loans for security deposits and back rent for low income tenants.
Other Federal Grants (list below)		
Shelter Plus Care (S+C)	$711,240	Tenant-based rental assistance and supportive services for homeless person with disabilities (serious mental illness, HIV/AIDS, and substance abuse); administration.
ARRA (Stimulus) HPRP Homeless Prevention & Rapid Rehousing	$302,798	Funding to prevent & end homeless.
Supportive Housing Program (SHP) (Euclid Villa)	$163,700	16 units of transitional housing coupled with supportive services for homeless families.
Supportive Housing Program (SHP) (Union Station Transitional Housing)	$122,097	Transitional housing & services for 20 homeless individuals.
Supportive Housing Program (SHP) (Permanent Housing for Persons with Disabilities) Hestia House	$235,695	To develop 8 units of permanent supportive housing for recovering substance abusers.
Supportive Housing Program (SHP) (Homeless Management Information Systems – HMIS)	$137,754	Grant awarded to develop and implement a HUD mandated HMIS service.
Supportive Housing Program (SHP) (Serra Project)	$227,499	Ten (12) unit of scattered site housing for homeless families & individuals with HIV/AIDS.
Supportive Housing Program (SHP) (Navarro House)	$43,724	6 units of permanent supportive housing for homeless individuals.
Supportive Housing Program (SHP) (Casa Maria)	$155,416	Provide 14 beds of transitional housing for homeless women & children.
Emergency Shelter Grant (ESG)	$98,459	The provision of temporary emergency shelters, emergency hotel/motel vouchers and supportive services for the homeless.

Financial Resources: Planned Sources and Uses		
Sources	**Planned $**	**Planned Uses**
HOME	$666,937	Home buyer assistance, CHDO set aside, housing projects, administration.
4. Other income (list below)		
HOPWA (City of Los Angeles)	$64,200	Tenant-based rental assistance for persons living with HIV/AIDS.
4. Non-federal sources (list below)		
PCDC Housing Set aside Funds	$2,976,063	Housing projects, homebuyer assistance.
Inclusionary Funds	$158,043	Debt service administration.
Casa Maria Homeless Prevention Funds ($50,000) CDBG Match for ESG ($48,459) • Emergency Shelter	$98,459	The provision of emergency hotel/motel vouchers, food, supportive services for the homeless; City Inclusionary Funds provides the required match to the ESG Grant ($97,516).
Casa Maria Homeless Prevention Funds • Bad weather Shelter	TBD	The provision of a seasonal shelter for homeless (November – March) yearly; information assistance, referrals, and meals.
PCDC Housing Trust Funds ($59,000) Compliance Monitoring Fee ($15,999) • Housing Covenant Compliance Monitoring	$74,999	Annual housing unit covenant compliance monitoring entailing both on-site visitation and tenant eligibility determination.
Casa Maria Homeless Prevention Funds • Homeless Prevention	TBD	Food, shelter, clothing and supportive services for at risk persons/families.
Total resources	***$22,721,697***	

(3)

Rent Determination. A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units.

Payment standards may be adjusted to increase housing assistance payments in order to keep family rents affordable. The PCDC will not raise the payment standards so high that the number of families that can be assisted under available funding is substantially reduced. The PCDC will not raise payment standards if the need is solely to make "high end" units available to voucher holders.

The PCDC will review the payment standard annually to determine whether an adjustment should be made for some or all unit sizes. The payment standard will be reviewed according to HUD requirements. The PCDC may set the payment standard between 90% and 110% of FMR. Additionally, upon the PCDC's request, HUD may approve a payment standard lower than 90% or higher than 110%.

The PCDC may use some or all of the following measures listed below in making its determination whether an adjustment should be made to the payment standards:

1. **Assisted Families' Rent Burdens**

The PCDC will review reports showing the percent of income used for rent by HCVP families to determine the extent to which the rent burden is more than 40% of income.

2. **Reasonable Accommodation**

If the family includes a person with disabilities and requires a higher payment standard for the family, as a reasonable accommodation for such person, the PCDC may establish a higher payment standard for the family within the PCDC established range (see Chapter 7 of the 2011 Administrative Plan).

3. **Quality of Units Selected**

The PCDC will review the quality of units selected by families before determining any change to the payment standard to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

4. **Rent to Owner Increases**

The PCDC may review a sample of units to determine how often owners are increasing rents after the first year of the lease and the average percent of increase by bedroom size. The sample will be divided into units with and without the highest cost utility included.

A comparison will then be made to the applicable annual adjustment factor to determine whether the owner increases are excessive in relation to the published annual adjustment factor.

5. **Rent Reasonableness Database/Average Contract Rents**

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

6. **Lowering of the Payment Standard**

If statistical analysis reveals that the payment standard should be lowered, the PCDC will lower the payment standards no less than 90% of the current FMR.

However, the PCDC must obtain HUD approval if the PCDC wishes to lower the payment standards less than 90% of the current FMR.

The PCDC may submit a waiver request to HUD for its review and approval to lower the payment standards below 90% of the current FMR if less than 40 percent of participants in the PCDC's voucher program are paying less than 30 percent of adjusted monthly income for rent.

If the payment standards are lowered, the PCDC will apply the reduced payment standard at the second annual re-examination following the reduced payments standards.

7. Financial Feasibility

Before increasing the payment standard, the PCDC may review the budget and project reserves to determine the impact projected subsidy increases would have on funding available for the program and number of families served.

For this purpose, the PCDC will compare the number of families who could be served under a higher payment standard with the number assisted under current payment standards.

(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.

The organization chart showing the PCDC's management structure and organization:
See Attachment "H"

Section 8 Operation and Management rules, standards and polices are contained in the documents listed below:

- Rental Assistance Program Administrative Plan
- Shelter Plus Care (S+C) Action Plan
- Housing Opportunities for Persons with AIDS (HOPWA) Action Plan
- Family Self Sufficiency (FSS) Action Plan
- HOME Action Plan
- Consolidated Plan (2010 - 2014)
- Rental Assistance Program Policies and Procedures

(5)

Grievance Procedures. A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants.

INFORMAL REVIEW PROCEDURES [24 CFR 982.54(d)(12), 24 CFR 982.554]

Informal reviews are provided for applicants who are denied admission to the program. When the PCDC determines that an applicant is ineligible for the program, the family must be notified of their ineligibility in writing. The notice must contain:

1. A brief statement of reasons for the PCDC decision;

2. The procedure for requesting an informal review if the applicant does not agree with the PCDC decision; and

3. The deadline to request an informal review.

The PCDC must give applicants an opportunity for an informal review of the PCDC decision denying assistance. However, the PCDC is not required to provide the applicant an opportunity for an informal review for any of the following:

1. Discretionary administrative determinations by the PCDC.

2. General policy issues or class grievances.

3. A determination of the family unit size under the PCDC subsidy standards.

4. A PCDC determination not to approve an extension or suspension of a voucher, certificate, or HOME coupon term.

5. A PCDC determination not to grant approval of the tenancy.

6. A PCDC determination that a unit selected by the applicant is not in compliance with HQS.

7. A PCDC determination that the unit is not in accordance with HQS because of the family size or composition.

Decisions related to restrictions on assistance to non-citizens always requires an informal hearing, regardless of whether the family is an applicant or a participant. (The informal hearing provisions for the denial of assistance on the basis of ineligible immigration status are contained in 24 CFR Part 5.)

When a request for an informal review is not received by the deadline, the PCDC will not provide an applicant an informal review.

PCDC INFORMAL REVIEW PROCEDURES

A request for an informal review must be received by the PCDC, in writing, no later than 15 days from the date of the PCDC's notification of denial of assistance. The informal review will be scheduled within 30 days from the date the request is received.

The informal review may be conducted by any person or persons designated by the PCDC, other than a person who made or approved the decision under review or subordinate of this person. The applicant will be given the opportunity to present oral or written objections to the PCDC's decision.

The PCDC may verify the evidence submitted at the informal review by the applicant before a decision of the informal review is made. The PCDC will inform the applicant, in writing, of the final decision within 30 days after the informal review, including a brief statement of the reasons for the final decision.

INFORMAL HEARING PROCEDURES [24 CFR 982.555, 982.54(d)(13)]

The PCDC must give a participant family an opportunity for an informal hearing to consider whether the following PCDC decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations and PCDC policies:

1. A determination of the family's annual or adjusted income and the use of such income to compute the housing assistance payment.
2. A determination of the appropriate utility allowance (if any) used for tenant-paid utilities from the PCDC utility allowance schedule.
3. A determination of the family unit size under PCDC subsidy standards.
4. A determination that a certificate family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the PCDC subsidy standards, or the PCDC determination to deny the family's request for an exception from the standards.
5. A determination to terminate assistance for a participant family because of the family's action or failure to act (see 24 CFR 982.552).
6. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under PCDC policy and HUD rules.

For cases described above, with the exception of numbers two and three, the PCDC must give the opportunity for an informal hearing before the PCDC terminates housing assistance payments for the family under an outstanding HAP Contract.

When the PCDC makes a decision regarding eligibility and/or the amount of assistance, the participant family must be notified in writing. The PCDC will give the participant family prompt notice of such determinations, which may include:

1. The proposed action or decision of the PCDC;
2. The date the proposed action or decision will take place;
3. The family's right to an explanation of the basis for the PCDC's decision;
4. The procedures for requesting an informal hearing if the family disputes the action or decision;
5. The deadline for the family to request an informal hearing;
6. The name of the person to whom the informal hearing request should be addressed to; and
7. A copy of the PCDC hearing procedures.

The PCDC is not required to provide a participant family an opportunity for an informal hearing for any of the following:

1. Discretionary administrative determinations by the PCDC.
2. General policy issues or class grievances.
3. Establishment of the PCDC schedule of utility allowances for families on the program.
4. A PCDC determination not to approve an extension or suspension of a voucher, certificate, or HOME coupon term.
5. A PCDC determination not to approve a unit or tenancy.
6. A PCDC determination that an assisted unit is not in compliance with HQS. (However, the PCDC must provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of HQS caused by the family as described in 24 CFR 982.551(C).)
7. A PCDC determination that the unit is not in accordance with HQS because of the family size.
8. A determination by the PCDC to exercise or not exercise any right or remedy against the owner under a HAP Contract.

Notification of Hearing

Upon receipt of the request for an informal hearing, the PCDC will notify the participant family, in writing, of the scheduled informal hearing. The notice will include:

1. The date and time of the informal hearing.
2. The location where the informal hearing will be held.
3. The family's right to present evidence, witnesses, legal or other representation at the family's expense. The family must notify the PCDC within five days from the date of the notification of their decision to have legal representation.
4. The family's right to view, before the informal hearing, any documents or evidence in the possession of the PCDC upon which the PCDC based their determination and that are directly relevant to the hearing. The PCDC may provide copies of such documents prior to the hearing, at the family's expense. If the PCDC does not make the documents available for examination on request of the family, the PCDC may not rely on the documents at the informal hearing. Such documents or evidence must be available to or received by the family no later than 10 days before the informal hearing date.
5. The right by the PCDC to examine at the PCDC's office, before the informal hearing, any family documents that are directly relevant to the hearing. The PCDC must be allowed to copy any such document at the PCDC's expense. If the family does not make the document available for examination on request of the PCDC, the family may not rely on the document at the informal hearing. Such documents or evidence must be received by the PCDC no later than 10 days before the informal hearing date.
6. Limited English proficient (LEP) families may have an interpreter present. If the family requires the PCDC's assistance in obtaining an interpreter, the family must submit this request to the PCDC, five days prior to the informal hearing date.

PCDC Informal Hearing Procedures

A request for an informal hearing must be received by the PCDC, in writing, no later than 15 days from the date of the PCDC's notification of termination of assistance. The informal hearing will be scheduled within 15 days from the date the request is received.

When the request for an informal hearing is not received by the deadline, the PCDC will not provide a participant family an informal hearing.

After an informal hearing date is agreed to, the family may request to reschedule only upon "good cause," which is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

The informal hearing will be canceled by the PCDC if the family is not present 15 minutes after the informal hearing scheduled time. The PCDC may schedule a final hearing only if the family can provide "good cause." If a participant family does not appear at a scheduled informal hearing and has not rescheduled the hearing in advance, the family must contact the PCDC within 48 hours, excluding weekends and holidays. The PCDC will reschedule the informal hearing only if the family can provide "good cause" for the failure to appear. No other hearing will be scheduled and the PCDC's decision to terminate will stand.

Families have the right to:

1. Present written or oral objections to the PCDC's determination;
2. Examine the documents in the file which are directly relevant to the basis for the PCDC's action, and all documents submitted to the hearing officer;
3. Copy any relevant documents at their expense;
4. Present any information or witnesses pertinent to the issue of the informal hearing;
5. Request that PCDC staff be available or present at the informal hearing to answer questions pertinent to the case; and
6. Be represented by legal counsel, advocate, or other designated representative at their own expense.

The PCDC has a right to:

1. Present evidence and any information pertinent to the issue of the informal hearing;
2. Be notified if the family intends to be represented by legal counsel, advocate, or another party;
3. Examine and copy any documents to be used by the family prior to the hearing;
4. Have its attorney present; and
5. Have staff persons and other witnesses familiar with the case present.

The informal hearing may be conducted by any person or persons designated by the PCDC, other than a person who made or approved the decision under review or a subordinate of this person. The PCDC appoints hearing officers who are knowledgeable of the Rental Assistance Programs and experienced in dispute resolution, mediation and arbitration.

The informal hearing shall concern only the issues for which the family has received the opportunity for a hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

No documents may be presented which have not been provided to the other party before the hearing, if requested by the other party. "Documents" includes records and regulations.

The hearing officer may ask the family for additional information and/or adjourn the hearing in order to reconvene at a later date before reaching a decision. The submission of additional information may not

exceed 15 days from the date of the informal hearing.

If the family misses an appointment or deadline established by the hearing officer, the decision of the PCDC shall become final and another informal hearing will not be granted.

The hearing officer will determine whether the action, inaction, or decision of the PCDC is in accordance with HUD regulations and this Plan based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the family will be based on a preponderance of the evidence presented at the informal hearing.

A notice of the decision made by the hearing officer will be provided, in writing, to the PCDC within 15 days of the informal hearing and shall include:

1. A clear summary of the decision and reason(s) for the decision; and
2. If the decision involves money owed.

The PCDC is not bound by the hearing officer's decision which:

1. Concern matters in which the PCDC is not required to provide an opportunity for an informal hearing, or that otherwise exceeds the authority of the person conducting the hearing under the PCDC hearing procedures.
2. Conflict with or contradict HUD regulations or requirements, or otherwise contradict Federal, State, or local law.

The PCDC will notify the family, in writing, within 15 working days of receipt of the hearing officer's decision. If the PCDC determines that it is not bound by the hearing officer's decision, the PCDC will notify the family of the determination and of the reasons for the determination.

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.

Housing Needs of Families on the PHA's Waiting Lists

Waiting list type: (select one)
☒ Section 8 tenant-based assistance
☐ Public Housing
☐ Combined Section 8 and Public Housing
☐ 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	3872		
Extremely low income <=30% AMI	3097	80%	
Very low income (>30% but <=50% AMI)	775	20%	
Low income (>50% but <80% AMI)			
Families with children	1365	35%	
Elderly families	917	24%	
Families with Disabilities	1157	30%	
		89%	
Race/ethnicity White	2234	58%	
Race/ethnicity Black	1422	37%	
Race/ethnicity Asian	170	.04%	
Race/ethnicity Native	28	.01%	
Race/ethnicity Pacific	18	.005%	
		95.055%	
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)? ☐ No ☒ Yes
If yes:
How long has it been closed (# of months)? May 2008 (33 months)
Does the PHA expect to reopen the list in the PHA Plan year? ☐ No ☒ Yes
Does the PHA permit specific categories of families onto the waiting list, even if generally closed? ☐ No ☒ Yes
Non Elderly Persons with Disabilities Category 2

9.1	**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.** PCDC's Strategy for addressing Housing Needs was submitted in last year's Five Year Plan (2009-2013).

Use of the Project-Based Voucher Program

As of January 16, 2003, PCDC was approved by HUD to project–base up to 20% of PCDC's Annual Contributions Contract (ACC) 1315 which is 263 tenant-based Section 8 Vouchers.

Current locations participating:

- Woodbury Senior Apartments - 3 units
- Villa Los Robles - 2 units
- Centennial Place Apartments - 144 units
- 270 Parke Street - 3 units
- Orange Grove Gardens Apartments - 9 units
- Hudson Oaks – 44 units

Total: 205

(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.

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

(11)

Fiscal Year Audit. The results of the most recent fiscal year audit for the PHA.

City of Pasadena single Audit Report (Year ended June 30, 2010) was not required. Section 8 was not awarded ARRA Funds only Public Housing. (See Attachment "I ")

(12)

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.

The PCDC will comply with Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA), which protects family members who are victims of domestic violence, dating violence, or stalking, from being evicted or terminated from housing assistance based on acts of such violence against them. The family may be required to complete, sign and submit Form HUD – 50066, or other acceptable certification/documentation, in order to verify the family's claim of domestic violence, within 14 business days of the request. The certification must include the name of the perpetrator.

(13)
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.

SEPARATE HARD COPY SUBMISSIONS TO LOCAL HUD FIELD OFFICE

(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.

Attachments

Required Submission:

- (Attachment A) Form HUD-50077, PHA Certifications of Compliance with the PHA Plans and Related Regulations
- (Attachment B) Form HUD-50077-CR, Civil Rights Certification
- (Attachment C) Form HUD-50071, Certification of Payments to Influence Federal Transactions
- (Attachment D) Form HUD-50070, Certification for a Drug-Free Workplace
- (Attachment E) Resident Advisory Board (RAB) comments
- (Attachment F) Public Notices/Public Hearing Comments
- (Attachment G) Housing Department Organization Chart
- (Attachment H) PCDC Rental Assistance 2011 Administrative Plan
- (Attachment I) City of Pasadena-Single Audit Report (Year ended June 30, 2010)

Attachment "A"

PHA Certifications of Compliance with PHA Plans and Related Regulations	U.S. Department of Housing and Urban Development Office of Public and Indian Housing Expires 4/30/2011

PHA Certifications of Compliance with the PHA Plans and Related Regulations: Board Resolution to Accompany the *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 Annual PHA Plan for the PHA fiscal year beginning JULY 1, 2011, 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.

PASADENA COMMUNITY DEVELOPMENT COMMISSION (PCDC) — CA 079
PHA Name — PHA Number/HA Code

__x__ Annual PHA Plan for Fiscal Years 2011.

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
MICHAEL J. BECK	CHIEF EXECUTIVE OFFICER
Signature POR	Date 4/10/11

Attachment "B"

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

Civil Rights Certification

Annual Certification and Board Resolution

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 Commissioner, I approve the submission of the Plan for the PHA of which this document is a part and make the following certification and agreement with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

The PHA certifies that it will carry out the public housing program of the agency 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, and will affirmatively further fair housing.

PASADENA COMMUNITY DEVELOPMENT COMMISSION	CA 079
PHA Name	PHA Number/HA Code

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: MICHAEL J. BECK	Title: CHIEF EXECUTIVE OFFICER
Signature: [signature]	Date: 4/10/11

Attachment "C"

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

Certification of Payments to Influence Federal Transactions

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

Applicant Name

PASADENA COMMUNITY DEVELOPMENT COMMISSION

Program/Activity Receiving Federal Grant Funding

SECTION 8 TENANT BASED RENTAL ASSISTANCE PROGRAM

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

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

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

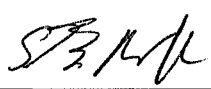
(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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

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

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
MICHAEL J. BECK	CHIEF EXECUTIVE OFFICER

FAX Signature	Date (mm/dd/yyyy)
	4/10/11

Previous edition is obsolete

form HUD 50071 (3/98)
ref. Handboooks 7417.1, 7475.13, 7485.1, & 7485.3

Attachment "D"

Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

Applicant Name

PASADENA COMMUNITY DEVELOPMENT COMMISSION

Program/Activity Receiving Federal Grant Funding

SECTION 8 TENANT BASED RENTAL ASSISTANCE PROGRAM

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

(1) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federalagency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. Sites for Work Performance. The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here ☐ if there are workplaces on file that are not identified on the attached sheets.

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
MICHAEL J. BECK	CHIEF EXECUTIVE OFFICER
For Signature X [signature]	Date 4/10/11

form **HUD-50070** (3/98)
ref. Handbooks 7417.1, 7475.13, 7485.1 & .3

Attachment "E"

January 6, 2011

RE: HOUSING CHOICE VOUCHER PROGRAM - EXECUTIVE COMMITTEE MEMBERS TO THE RESIDENT ADVISORY BOARD MEETING

Dear

The Pasadena Community Development Commission (PCDC) extends an invitation to you to attend the Resident Advisory Board (RAB) Executive Committee meeting. The PCDC has scheduled the Executive Committee meeting for January 20, 2011, at 10:00 a.m. The meeting will be held at the:

Pasadena Community Development Commission
Housing Department
649 North Fair Oaks Avenue, Suite 202
Pasadena, CA 91103

We will discuss and review the PCDC's Public Housing Agency (PHA) Annual Plan (2011).

If you have questions, you may contact me at (626) 744-8305.

Sincerely,

Myrtle Dunson
Housing Assistance Officer

PASADENA COMMUNITY DEVELOPMENT COMMISSION

RESIDENT ADVISORY BOARD (RAB)

EXECUTIVE COMMITTEE MEETING

January 20, 2011

Housing Department
Renaissance Plaza
649 N. Fair Oaks Ave, Suite 202
Pasadena, CA 91103

AGENDA

l. Welcome and Introductions

ll. Reports
- Chairperson
- Vice Chairperson
- Secretary

III. Next RAB Meeting on January 27, 2011

- Public Housing Agency (PHA) Annual PHA Plan (2011)
- 2011 Administrative Plan
- Housing Staff Presentations

IV. Recommendations for next RAB Meeting

V. Executive Committee Comments

VI. Adjournment

January 9, 2011

Dear: Program Participant

The Pasadena Community Development Commission (PCDC) is in the process of preparing its Public Housing Authority (PHA) Annual Plan for fiscal year 2011, as required by the U.S. Department of Housing and Urban Development (HUD). PCDC is requesting your participation in this planning process through your comments and recommendations regarding the PHA Annual Plan.

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

The PHA Annual Plan will be reviewed and discussed at the Resident Advisory Board (RAB) meeting on Thursday, January 27, 2011, from 11:30 a.m. to 12:30 p.m. Renaissance Plaza Community Room, 649 North Fair Oaks Ave, Suite 203. The PCDC extends an invitation to you to attend the RAB meeting. However, your participation is strictly voluntary and your rental assistance will not be affected if you choose not to attend this meeting.

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

Sincerely,

Myrtle Dunson
Housing Assistance Officer
Housing Department

RESIDENT ADVISORY BOARD (RAB)
Annual RAB Meeting

11:30 A.M. - 12:30 P.M., Thursday, January 27, 2011
Renaissance Plaza
649 N. Fair Oaks Ave, Suite 203
Pasadena, CA 91103

AGENDA

I. Call to Order - Welcome

II. Executive Committee Reports
Chairperson (Jacqueline Howard)
Foreclosure
Vice Chairperson (Susan Grant)
Move Policy
Secretary (Lois Broughton)

- Last RAB Meeting (1/27/10)

III. New Business

Chairperson Presentation (Renter's Insurance)

Myrtle Dunson, Housing Assistance Officer

- New Housing Department Telephone System
- New websites:
  www.ci.pasadena.ca.us/housing
  www.cityofpasadena.net/housing
- Public Housing Agency (PHA) Annual Plan (2011)
- 2011 Administration Plan (Chapter 14 and Chapter 25)

IV. Recommendations and Comments

V. Next RAB Meeting and Suggested Agenda Items

VII. Adjournment

Attachment "F"

Publish Once:
PHA: (626) 744-8300
Account Number: 8112 220 684210 66 50119
FAX: (626) 744-8340

NOTICE TO THE PUBLIC OF A PUBLIC HEARING BY THE PASADENA COMMUNITY DEVELOPMENT COMMISSION TO CONSIDER THE APPROVAL OF THE PUBLIC HOUSING AGENCY (PHA) ANNUAL PLAN (2011).

In accordance with 24 Code of Federal Regulations, Part 903 et seq., as published by the U.S. Department of Housing and Urban Development (HUD) on December 22, 2000, in the Federal Register, Public and Indian Housing (PIH) Notice 2000-43, and the Quality Housing and Work Responsibility Act of 1998, the Pasadena Community Development Commission (Commission) hereby gives notice that the Public Housing Agency (PHA) Annual Plan (2011) will be considered for approval at a public hearing by the PCDC on Monday, April 4, 2011 at 7:30 p.m., or as soon thereafter as the matter may be heard, in the Council Chambers, Room S249, at 100 North Garfield Avenue, Pasadena, California. The purpose of the public hearing is to obtain the views of citizens, service providers, participants, and interested individuals regarding the development of the PHA Annual Plan (2011).

The PHA Annual Plan (2011) describes the Commission's immediate operations, and assesses housing assistance needs, housing stock conditions, and rental housing subsidy needs of lower income households for the upcoming fiscal year.

Upon approval by the Commission, the PHA Annual Plan (2011) will be submitted to HUD to ensure the City of Pasadena will continue to receive federal funds for the rental assistance programs that benefit very low income individuals and households. Rental Assistance Programs subsidies will be contingent upon the availability of funding to the Commission from HUD, as well as the preparation and submittal to HUD of the PHA Annual Plan.

ALL INTERESTED AGENCIES, GROUPS, OR INDIVIDUALS who wish to be heard on this matter are invited to attend this public hearing and speak to the Commission at the time and place stated. The Commission will consider approval of the PHA Annual Plan (2011) at the public hearing after receiving testimony, oral or written.

If you have any questions or require information regarding the Public Housing Agency Annual Plan (2011), and/or the process, contact Myrtle Dunson, Housing Assistance Officer, at (626) 744-8300, or provide written comments to: Housing Department, 649 N. Fair Oaks Avenue, Suite 202, Pasadena, California 91103.

Michael J. Beck, Chief Executive Officer
100 North Garfield Avenue
Pasadena, CA 91109

Approved as to Form:

_____
BRAD L. FULLER
Assistant General Counsel

Publish:

PUBLIC NOTICE OF THE AVAILABILITY FOR REVIEW OF THE
PUBLIC HOUSING AGENCY (PHA) ANNUAL PLAN FOR FISCAL YEAR
2011 FOR THE PASADENA COMMUNITY DEVELOPMENT COMMISSION.

The Pasadena Community Development Commission (PCDC) announces that the Public Housing Agency (PHA) Annual Plan (2011), for the PCDC in compliance with the Quality Housing and Work Responsibility Act of 1998 (QHWRA), U.S. Department of Housing and Urban Development (HUD) PHA Plan Final Rule (24 CFR Part 903), Public and Indian Housing (PIH) Notice 2000-43, is available for public review.

The PHA Annual Plan (2011) describes the PCDC's immediate operations, and assesses housing assistance needs, housing stock conditions, and rental housing subsidy needs of lower income households for the upcoming fiscal year. The PCDC is extremely interested in improving and increasing communication with Pasadena's citizens in the area of housing. Comments on the plan are requested and encouraged. The PHA Annual Plan will be available for public review at the following locations:

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

Community Facilities*:

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

All Branches of the Pasadena Public Library*:

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

**Check these facilities for hours of availability*

The PHA Annual Plan will be considered by the PCDC in a public hearing on April 4, 2011, and if adopted, will be submitted to the U.S. Department of Housing and Urban Development, shortly thereafter.

Comments in writing from the public on the PHA Annual Plan will be received by the City's Housing Department located at, 649 North Fair Oaks Avenue, Suite 202, Pasadena, CA from January 18, 2011 to April 4, 2011. If you have any questions call Myrtle Dunson, City of Pasadena, Housing Department, at (626) 744-8300.

Michael J. Beck, Chief Executive Officer
100 North Garfield Avenue
Pasadena, CA 91109

Publish:

Approved as to Form:

_____
BRAD L. FULLER
Assistant General Counsel

THE PASADENA JOURNAL NEWS
1541 N. Lake Ave. Suite A
Pasadena, CA 91104
626-798-3972

This space is for Clerk's filing Stamp

PROOF OF PUBLICATION

(2025.5 C.C.P.)

$42.25

STATE OF CALIFORNIA
County of Los Angeles

Proof of Publication of:

Notice Of Public Hearing

SEE ATTACHED

I am a citizen of the United States and a resident of the County of aforesaid. I am the Principal clerk of the printer of the Pasadena Journal, a newspaper of general circulation printed and published weekly in the City of Pasadena, County of Los Angeles and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, under the date of April 16, 1991, Case Number C013336, that the notice of which is annexed is a printed copy (set in type not smaller than nonpareil) has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dated to-wit

January 27th all in the year 2011

I certify and declare under penalty perjury that the foregoing is true and correct

Dated at Pasadena, California, this 27th day of January2011

Signature

Anna Wyatt

NOTICE TO THE PUBLIC OF A PUBLIC HEARING BY THE PASADENA COMMUNITY DEVELOPMENT COMMISSION TO CONSIDER THE APPROVAL OF THE PUBLIC HOUSING AGENCY (PHA) ANNUAL PLAN (2011).

In accordance with 24 Code of Federal Regulations, Part 903 et seq., as published by the U.S. Department of Housing and Urban Development (HUD) on December 22, 2000, in the Federal Register, Public and Indian Housing (PIH) Notice 2000-43, and the Quality Housing and Work Responsibility Act of 1998, the Pasadena Community Development Commission (Commission) hereby gives notice that the Public Housing Agency (PHA) Annual Plan (2011) will be considered for approval at a public hearing by the PCDC on Monday, April 4, 2011 at 7:30 p.m., or as soon thereafter as the matter may be heard, in the Council Chambers, Room S249, at 100 North Garfield Avenue, Pasadena, California. The purpose of the public hearing is to obtain the views of citizens, service providers, participants, and interested individuals regarding the development of the PHA Annual Plan (2011).

The PHA Annual Plan (2011) describes the Commission's immediate operations, and assesses housing assistance needs, housing stock conditions, and rental housing subsidy needs of lower income households for the upcoming fiscal year.

Upon approval by the Commission, the PHA Annual Plan (2011) will be submitted to HUD to ensure the City of Pasadena will continue to receive federal funds for the rental assistance programs that benefit very low income individuals and households. Rental Assistance Programs subsidies will be contingent upon the availability of funding to the Commission from HUD, as well as the preparation and submittal to HUD of the PHA Annual Plan.

ALL INTERESTED AGENCIES, GROUPS, OR INDIVIDUALS who wish to be heard on this matter are invited to attend this public hearing and speak to the Commission at the time and place stated. The Commission will consider approval of the PHA Annual Plan (2011) at the public hearing after receiving testimony, oral or written.

If you have any questions or require information regarding the Public Housing Agency Annual Plan (2011), and/or the process, contact Myrtle Dunson, Housing Assistance Officer, at (626) 744-8300, or provide written comments to: Housing Department, 649 N. Fair Oaks Avenue, Suite 202, Pasadena, California 91103.

Michael J. Beck, Chief Executive Officer
100 North Garfield Avenue
Pasadena, CA 91109

Publish: January 27, 2011
Pasadena Journal

PROOF OF PUBLICATION

$48.75

THE PASADENA JOURNAL NEWS
1541 N. Lake Ave. Suite A
Pasadena, CA 91104
626-798-3972

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PROOF OF PUBLICATION

(2025.5 C.C.P.)

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PUBLIC NOTICE OF THE AVAILABILITY FOR REVIEW OF THE PUBLIC HOUSING AGENCY (PHA) ANNUAL PLAN FOR FISCAL YEAR 2011 FOR THE PASADENA COMMUNITY DEVELOPMENT COMMISSION

The Pasadena Community Development Commissio (PCDC) announces that the Public Housing Agenc (PHA) Annual Plan (2011), for the PCDC in compliance with the Quality Housing and Work Responsibility Ac of 1998 (QHWRA), U.S. Department of Housing and Urban Development (HUD) PHA Plan Final Rule (24 CFR Part 903), Public and Indian Housing (PIH) Notice 2000-43, is available for public review.

The PHA Annual Plan (2011) describes the PCDC's immediate operations, and assesses housing assistance needs, housing stock conditions, and rental housing subsidy needs of lower income households for the upcoming fiscal year. The PCDC is extremely interested in improving and increasing communication with Pasadena's citizens in the area of housing. Comments on the plan are requested and encouraged. The PHA Annual Plan will be available for public review at the following locations:

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Pasadena, CA 91103
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Michael J. Beck, Chief Executive Officer
100 North Garfield Avenue
Pasadena, CA 91109

Publish: January 27, 2011
Pasadena Journal

PROOF OF PUBLICATION

PASADENA STAR-NEWS

affiliated with
SGV Newspaper Group
911 E. Colorado Blvd.
Pasadena, CA 91109

$362.66

PROOF OF PUBLICATION
(2015.5 C.C.P.)

STATE OF CALIFORNIA

County of Los Angeles

I am a citizen of the United States, and a resident of the county aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the principal clerk of the printer of PASADENA STAR-NEWS, a newspaper of general circulation which has been adjudicated as a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, on the date of June 22, 1927, Case Number 225647. The notice, of which the annexed is a true printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

1/24/11

I declare under penalty of perjury that the foregoing is true and correct.

Executed at West Covina, LA Co. California
this 24 day of JANUARY, 20 11

signature

Proof of Publication of

NOTICE TO THE PUBLIC OF A PUBLIC HEARING BY THE PASADENA COMMUNITY DEVELOPMENT COMMISSION TO CONSIDER THE APPROVAL OF THE PUBLIC HOUSING AGENCY (PHA) ANNUAL PLAN (2011).

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Michael J. Beck, Chief Executive Officer
100 North Garfield Avenue
Pasadena, CA 91109

Publish: January 24, 2011 **Pasadena Star-News** **Ad #46379**

PASADENA STAR-NEWS

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Pasadena, CA 91109

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STATE OF CALIFORNIA

County of Los Angeles

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this 24 day of JANUARY, 20 11

signature

Proof of Publication of

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Michael J. Beck, Chief Executive Officer
100 North Garfield Avenue
Pasadena, CA 91109

Publish: January 24, 2011 **Pasadena Star-News** **Ad #51940**

Publicar una vez:
Número de cuenta: 8112 220 684210 50119

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

AVISO AL PÚBLICO DE UNA AUDIENCIA PÚBLICA DE LA COMISIÓN DE DESARROLLO COMUNITARIO DE PASADENA PARA DISPONIBILIDAD PARA REVISAR EL PLAN ANUAL DE LA AGENCIA DE VIVIENDA PUBLICA (PHA) PARA EL AÑO FISCAL 2011

De acuerdo con el código 24 de las regulaciones federales, parte 903 et seq., publicado por el Departamento de la Vivienda y Desarrollo Urbano de los Estados Unidos (HUD) por sus siglas en inglés, el 22 de diciembre de 2000, en el Registro Federal, y la Oficina de la Vivienda Pública para las Comunidades Indígenas (PIH) por sus siglas en inglés, aviso 2000-43, y la Vivienda de Calidad y la Ley de Responsabilidad Laboral de 1998, la Comisión de Desarrollo Comunitario de Pasadena (la Comisión) por la presente da aviso que el Plan Anual (2011) de la Agencia de Vivienda Publica, será considerado para su aprobación en la audiencia pública por la Comisión de Desarrollo Comunitario de Pasadena el **lunes 4 de marzo del 2011** a las 7:30 p.m. o un poco después cuando el tema sea escuchado, en la cámara del consejo, sala S249, en el 100 Norte de la Avenida Garfied, Pasadena, California. El propósito de esta audiencia pública es para obtener el punto de vista de los ciudadanos, proveedores de servicios, participantes, y personas interesadas en relación al Plan Anual de PHA (2011).

El Plan Anual (2011) de PHA describe las operaciones inmediatas de la Comisión, evalúa las necesidades de asistencia de la vivienda, las condiciones del inventario de viviendas, y las necesidades de subsidiar las rentas de las viviendas para personas de bajos ingresos para el próximo año fiscal.

Una vez sea aprobado por la Comisión, el Plan Anual (2011) de la Agencia Pública de Vivienda (PHA) será presentado a HUB para asegurar que la Ciudad continúe recibiendo fondos federales que benefician a las personas de bajos ingresos del programa de asistencia para la renta. Los subsidios para el programas de asistencia para la renta están sujetos a la disponibilidad de los fondos para la ciudad de HUB, así como también la preparación y presentación de los planes de PHA al HUB.

TODAS LAS ANGENCIAS, GRUPOS O PERSONAS INTERESADAS que desean ser escuchados sobre este asunto están invitados ha asistir a esta audiencia pública para hablar ante la comisión a la hora y lugar determinado. La Comisión considerará la aprobación del Plan Anual (2011) de la Agencia Pública de Vivienda (PHA), en la audiencia pública después de haber recibido testimonio, oral o escrito.

Si tiene algunas preguntas o requiere información sobre el Plan Anual (2011) de la Agencia Pública de Vivienda (PHA) y/o el proceso, comuníquese con Myrtle Dunson, Funcionaria Asistente de la Vivienda, al (626) 744-8300, o envié sus comentarios por escrito al:

Departamento de la Vivienda, 649 N. Fair Oaks Avenue, Suite 202, Pasadena, California 91103.

Michael J. Beck
100 North Garfield Avenue
Pasadena, CA 91109

EL FORMATO QUEDA APROBADO:

BRAD L. FULLER
ABOGADO AUXILIAR DE LA CIUDAD

Publicar:

AVISO PUBLICO DE LA DISPONIBILIDAD PARA REVISAR EL PLAN ANUAL DE LA AGENCIA DE LA VIVIENDA (PHA) PARA EL AÑO FISCAL 2011, PARA LA COMISIÓN DE DESARROLLO COMUNITARIO DE PASADENA.

La Comisión de Desarrollo Comunitario de Pasadena (PCDC) por sus siglas en inglés, anuncia que el Plan Anual de la Agencia de la Vivienda Pública (PHA) para el año fiscal 2011, para la Comisión de Desarrollo Comunitario de Pasadena estará disponible para ser revisado de acuerdo con la Ley de 1988 de Responsabilidad Laboral y la Calidad de la Vivienda de (QHWRA) por sus siglas en inglés, el Departamento de Vivienda y Desarrollo Urbano de Los Estados Unidos (HUD) siglas en inglés del plan final PHA (24 CFR Parte 903), aviso 2000-43 de la vivienda pública para las Comunidades Indígenas (PIH) siglas en inglés,

El Plan Anual (2011) de PHA describe las operaciones inmediatas de la Comisión, evalúa las necesidades de asistencia de la vivienda, las condiciones del inventario de la vivienda, y las necesidades de subsidiar las rentas de las viviendas para personas de bajos ingresos para el próximo año fiscal.

La Comisión de Desarrollo Comunitario de la Ciudad de Pasadena está bastante interesada en mejorar y aumentar la comunicación con los ciudadanos de Pasadena en el tema de la vivienda. Se los anima y se les solicita sus comentarios sobre el plan.

El Plan Anual de PHA estarán disponibles para que el público lo revise en los siguientes lugares:

Departamento de la Vivienda:
Departamento de la Vivienda:
649 North Fair Oaks Avenue, Suite 202,
Pasadena, CA 91103
Horario de oficina de lunes-jueves desde las 8:00 a.m. hasta las 5:00 p.m.

Instalaciones Comunitarias:

Centro Jackie Robinson – 1020 North Fair Oaks,	791-7983
Centro de Vecinos de Villa-Parke – 363 East Villa,	744-6530
Centro de Personas de la Tercera Edad – 85 East Holly,	795-4331
Centro Victory Park – 2575 Paloma,	798-0865
El Centro de Acción Social, Inc.- 37 East Del Mar	792-3148

Todas las Sucursales de la Biblioteca Pública de Pasadena:

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Linda Vista – 1281 Bryant,	793-1808
San Rafael – 1240 Nithsdale Road,	795-7974
Santa Catalina – 999 East Washington,	794-1219

**comuníquese con estos lugares para las horas de visita*

El Plan Anual del PHA será considerado por la Comisión de Desarrollo Comunitario de Pasadena en una audiencia publica el 4 **de abril del 2011**, de ser adoptado por la comisión será presentado después de un corto tiempo al Departamento de Vivienda y Desarrollo Urbano de Los Estados Unidos.

Los comentarios del público por escrito, sobre el Plan Anual de PHA serán recibidos por el Departamento de la Vivienda y Desarrollo Comunitario, ubicado en el 649 North Fair Oaks Avenue, Suite 202, Pasadena, CA desde **el 18 de enero del 2011 hasta el 4 de abril del 2011**. Si usted tiene alguna pregunta llame a Myrtle Dunson, ciudad de Pasadena, Departamento de la Vivienda y Desarrollo Comunitario al (626) 744-8300.

Michael J. Beck, Oficial Jefe Ejecutivo
100 North Garfield Avenue
Pasadena, CA 91109

Publicar:

El formato queda aprobado:

BRAD L. FULLER
Consejero General Auxiliar

PROOF OF PUBLICATION
(2015.5C.C.P.)

La Opinión
The Leading Spanish Language Daily Newspaper
700 S. Flower St. • Los Angeles, CA 90017
Tel:(213) 896-2260 • Fax:(213) 896-2238
www.laopinion.com

STATE OF CALIFORNIA

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FEB. 2

all in the year 20 11

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Dated at Los Angeles, California, this

9 day of FEB., 2011

Signature

ADV #017 Controlled
Rev. 06/05

np

AVISO PUBLICO DE LA DISPONIBILIDAD PARA REVISAR EL PLAN ANUAL DE LA AGENCIA DE LA VIVIENDA (PHA) PARA EL AÑO FISCAL 2011, PARA LA COMISIÓN DE DESARROLLO COMUNITARIO DE PASADENA.

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Michael J. Beck, Oficial Jefe Ejecutivo
100 North Garfield Avenue
Pasadena, CA 91109

Publicar: 27 de enero, 2011

El formato queda aprobado:

BRAD L. FULLER
Consejero GeneralAuxiliar

PROOF OF PUBLICATION
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9 day of FEB., 2011

Signature

ADV #017 Controlled
Rev. 06/05

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AVISO AL PÚBLICO DE UNA AUDIENCIA PÚBLICA DE LA COMISIÓN DE DESARROLLO COMUNITARIO DE PASADENA PARA DISPONIBILIDAD PARA REVISAR EL PLAN ANUAL DE LA AGENCIA DE VIVIENDA PUBLICA (PHA) PARA EL AÑO FISCAL 2011

De acuerdo con el código 24 de las regulaciones federales, parte 903 et seq., publicado por el Departamento de la Vivienda y Desarrollo Urbano de los Estados Unidos (HUD) por sus siglas en inglés, el 22 de diciembre de 2000, en el Registro Federal, y la Oficina de la Vivienda Pública para las Comunidades Indígenas (PIH) por sus siglas en inglés, aviso 2000-43, y la Vivienda de Calidad y la Ley de Responsabilidad Laboral de 1998, la Comisión de Desarrollo Comunitario de Pasadena (la Comisión) por la presente da aviso que el Plan Anual (2011) de la Agencia de Vivienda Pública, será considerado para su aprobación en la audiencia pública por la Comisión de Desarrollo Comunitario de Pasadena el **lunes 4 de abril del 2011 a las 7:30 p.m.** o un poco después cuando el tema sea escuchado, en la cámara del consejo, sala S249, en el 100 Norte de la Avenida Garfied, Pasadena, California. El propósito de esta audiencia pública es para obtener el punto de vista de los ciudadanos, proveedores de servicios, participantes, y personas interesadas en relación al Plan Anual de PHA (2011).

El Plan Anual (2011) de PHA describe las operaciones inmediatas de la Comisión, evalúa las necesidades de asistencia de la vivienda, las condiciones del inventario de viviendas, y las necesidades de subsidiar las rentas de las viviendas para personas de bajos ingresos para el próximo año fiscal.

Una vez sea aprobado por la Comisión, el Plan Anual (2011) de la Agencia Pública de Vivienda (PHA) será presentado a HUD para asegurar que la Ciudad continúe recibiendo fondos federales que benefician a las personas de bajos ingresos del programa de asistencia para la renta. Los subsidios para el programas de asistencia para la renta están sujetos a la disponibilidad de los fondos para la ciudad de HUD, así como también la preparación y presentación de los planes de PHA al HUD.

TODAS LAS AGENCIAS, GRUPOS O PERSONAS INTERESADAS que desean ser escuchados sobre este asunto están invitados ha asistir a esta audiencia pública para hablar ante la comisión a la hora y lugar determinado. La Comisión considerará la aprobación del Plan Anual (2011) de la Agencia Pública de Vivienda (PHA), en la audiencia pública después de haber recibido testimonio, oral o escrito.

Si tiene algunas preguntas o requiere información sobre el Plan Anual (2011) de la Agencia Pública de Vivienda (PHA) y/o el proceso, comuníquese con Myrtle Dunson, Funcionaria Asistente de la Vivienda, al (626) 744-8300, o envié sus comentarios por escrito al:

Departamento de la Vivienda,
649 N. Fair Oaks Avenue, Suite 202, Pasadena, California 91103;

Michael J. Beck, Oficial Jefe Ejecutivo
100 North Garfield Avenue
Pasadena, CA 91109

EL FORMATO QUEDA APROBADO:

BRAD L. FULLER
ABOGADO AUXILIAR DE LA CIUDAD

Publicar: 2 de febrero, 2011

PUBLIC HEARING COMMENTS

To: Mayor Bill Bogaard and Members of the Pasadena City Council
From: Michelle White
Executive Director, Affordable Housing Services
Re: Comments on the Pasadena 2011-2012 Public Housing Authority Plan
Date: 3/31/11

Mayor and Members of Council-

Attached is a chart setting forth specific provisions on which Affordable Housing Services (AHS) is commenting. To put our comments into context, you should be aware that, as a provider/developer of housing affordable to low and no income households, we are active in the Section 8 and Shelter + Care programs and recipients of Mc Kinney (homeless program) operations and supportive services subsidies and loan proceeds to reimburse our agency for costs associated with the rehabilitation of our 8-unit project on Parke Street, where Section 8 and other very low income families reside.

Most significant to our tenants and low income homeseekers among the attached comments are those related to fair housing provisions, the need for the Housing Authority to certify that it is affirmatively furthering fair housing choices for the low income program participants and homeseekers and the need to reorder the City's preferences so homeless Pasadena families with children become a second local priority.

Of particular concern to our agency is the need to address the City's slow reimbursement of costs under grant and loan programs. Last year, the Finance Department did not honor our reimbursement request to cover the operations and supportive services costs associated with housing our homeless households for 10 months. This year, we have absorbed six months of costs under this program without any reimbursement. On the loan side, AHS and our contractor were promised a week turn around on invoices/reimbursement requests. AHS has been waiting 4+ weeks for payment on the latest round of invoices submitted. Work on the renovation of the Parke Street project has been held in abeyance five different times because of slow loan disbursements to cover AHS' or the general contractor's costs.

Of lesser, albeit significant, concern is the new phone system. It impedes, rather than facilitates, discussions between the Department and owners.

Notwithstanding the issues raised above, AHS believes that the PHA performs an invaluable service under increasingly difficult circumstances. While we look forward to the Department restoring Friday operations, generally speaking the PHA is responsive and works to complete inspections and other paperwork in a timely manner.

Chart of Comments on Pasadena's 2011 Public Housing Authority Plan

	Page and Reference	Comment or Concern	Issue	Recommendation
1.	Throughout the document	There are a number of specialized terms used that are subject to interpretation.	Terms of art are used, e.g. "HUD disposition of a project."	A glossary would be of assistance.
2.	PHA Plan Elements, p.6, subsection 6	There does not appear to be an accommodation available for persons who have disabilities, as would be required by law.	Threats and violent behavior toward PCDC personnel or their property	Fair housing provisions require landlords to use lesser restrictive alternatives to eliminate threats or violence before evicting. This requirement should also be applicable to PCDC.
3.	PHA Plan Elements, p.8-9, subsection 9	According the latest publicly released documentation, there are 1,216 individuals who are homeless, of which 17% are families with children and 138 are children.	Homeless families or those living in substandard units are entitled to the lowest local preference	Pasadena's children should not be on the streets. Pasadena families who are homeless should have a higher preference than applicants who have a full time job, i.e. preference #2.
4.	PHA Plan Elements, p.11-12, subsection (3)	Payment standards - from 90% to 110% of HUD-established fair market rents	The City is in the process of conducting its analysis of impediments to fair housing choices(AI). Payment standard levels may impact the ability of Section 8 tenants to move out of communities of	The City's AI should analyze the Section 8 payment standards impacts on racially integrating the White sections of Pasadena, as well as on whether units in communities of color are undervalued.

			color. Owners of units in communities of color may routinely be receiving less rent for units comparable to those in White areas.	
	5. PHA Plan Elements, p.12, subsection 1	Rent burdens	Rent burdens of 40% are now permissible. The burden has increased from 25% to 30% and now 40%. During this period Pasadena rents have escalated, while the household incomes of low income families have not escalated at the same rate.	The permissible rent burden should be limited to 30% - 35%
65.	PHA Plan Elements, p.12, subsection 6	Lowering of the payment standard below 90% of the fair market rent.	PCDC may lower its payment standards to below 90% of fair market rent. if it submits a waiver application to HUD.	Before PCDC submits such a waiver application, it should hold a public hearing.
	7. PHA Plan Elements, p.13-15, subsection (5)	Review Procedures	Applicants challenging discretionary actions by PCDC staff, policy issues or class grievances, occupancy standards and PCDC determinations that non-compliance with housing quality standards. The Plan strips	A administrative hearing should be allowed.

			homeseekers and advocates of the ability to settle these major issues without resorting to litigation. Litigation is expensive for both the homeseekers and the Housing Authority.	
8.	PHA Plan Elements, p.16-17	Hearing Procedures	PCDC has complete discretion regarding the scheduling, cancellation of hearings, as well as the impacts of missing appointments and deadlines. Good cause is not a consideration under the plan.	Homeseekers should be permitted to present "good cause" evidence for missing appointments and deadlines. Such a provision is especially important for persons with disabilities.
9.	PHA Plan Elements, p.17	PCDC not bound by hearing officer's determinations	PCDC would not be bound by hearing officer's opinion that relates to discretionary actions by PCDC staff, policy issues or class grievances, occupancy standards or PCDC determinations that relate to non-compliance with housing quality standards.	The Plan should be amended to encourage administrative hearings, for the reasons set forth above.

10.	PHA Plan Elements, p. 21		As a recipient of federal housing funding, the Pasadena PHA is required to submit a certificate that it is affirmatively further fair housing choices (AFFH.) There is no AFFH certificate included.	An AFFH certificate should be added.
11.	Chapter 1, page 5	Reasonable Accommodations (RA)	RAs will be denied if they create an undue administrative or financial burden. There is no description of what constitutes "an undue administrative or financial burden."	The City's criteria for such denials should be set forth.
12.	Chapter 1, page 6	Time allowed PCDC to resolve a reasonable accommodation request.	Allows the agency "60 days or longer" to resolve RA requests. This is a long time to resolve such situations.	Should modify to 30 days, no longer than 60 days.
			The PHA office is only open 4 days a week and is located on the second floor of a building whose elevator occasionally breaks down. The door	PHA should improve the accessibility of its office by setting up a first floor office, as needed; installing a plate to allow access thru the office door and installing a land line downstairs.

Attachments

			to the office does not have an entry plate that will allow wheel chair users to open the door. Homeseekers needing access into the PHA office from the outside when the elevator is out of order or on every other Friday must telephone the security guard. There is no land line available. Homeseekers must have cell phones to gain access.	
13.	Chapter 1, page 7	Translations of documents	The criteria for translating is set forth.	An attachment listing what documents have been/will be translated will be helpful.
14.	Chapter 1, page 8, section H	Owner Outreach - Phone system	The Housing Department's/PHA's new phone system impedes rather than facilitates communication. The return caller and number of the Housing Department caller is masked. The call-in messaging system is a black	The present voice mail system should be scrapped in favor returning to the old system. In the alternative, the Department caller names and numbers should be unmasked, so that Owners can respond to and initiate calls with appropriate staff. Owners

			hole that is designed to deal with applicants and recipients, not owners.	directory of staff numbers.
15.	Chapter 1, page 8, section H	Owner Outreach - Payments	The promptness of City payments are very uneven. Rent subsidies, once initiated, are timely.	
			However, Mc Kinney operations and supportive serves subsidies have lagged appreciably behind the submission of documentation, without communication as to why. Last year, it was 10 months before Affordable Housing Services' (AHS) Mc Kinney payments commenced. This program year commenced September 1, 2010; AHS has not received any payments on its September through February requests.	Mc Kinney operating and supportive services reimbursements should be made within 2 weeks of submitting documentation.
			CDC loan proceeds that are dispensed on a reimbursement basis. Prior to the recent staff lay offs in Finance, AHS was told to expect disbursements/ should also be given a	Loan proceeds should be disbursed within 2 weeks of submitting documentation.

			reimbursements within one week of AHS providing documentation. Prior to Finance Department layoffs, the turn around was 2 weeks or more. It has now been 4 weeks+ since AHS submitted documentation, without payment. Work on the project has stopped pending an infusion of funds. The City's slow rate of pay will make it difficult to recruit and retain owners.	
16.	Chapter 2, page 6, section E	Immigration status	This is an example of references to information relied upon but set forth in the Plan, e.g., the "six immigrant categories as specified by HUD." Failure to include such information makes the Plan less user friendly.	Information such as the HUD categories should be set forth in the Plan.
17.	Chapter 6, page 12	Medical expense allowance	Medical expense allowances are limited to families in the head of the household is at least 62 or has disabilities. Other families are in need	Allow allowances for all families paying out of pocket for medical expenses.

			of such allowances, especially with State proposed cutbacks in insurance coverage and fewer families covered by private insurances.	
18.	Chapter 6, page 17-19.	Absence of Entire Family	There is no provision for family absences due to rehabilitation of units. According to the PHA's interpretation of HUD regulations, families whose units are being rehabilitated may be absent no more than 2 weeks. The result is that a household who has lived in un-rehabilitated unit is not guaranteed the ability to return once the unit is rehabb'd. Because of this provision, AHS had to evict a Section 8 family and restart the Section 8 approval process once the unit was rehabb'd.	The PHA should advocate for a change in HUD to allow for more flexibility.
19.	Chapter 7, page 21	Verification of disability	If a homeseeker has an obvious disability, some of these provisions are either unneeded or inappropriate under fair housing	The PHA should modify the Plan to reflect more recent fair housing case law.

			provisions.	
20.	Chapter 15, page 10, item 13.	Additions to family composition	There are instances when owners deny approval for unlawful reasons.	Owner disapprovals should be for good cause.
21.	Chapter 15, page 11	Interest in unit, last sentence	Reasonable accommodations may be requested anytime the arises.	This sentence should dropped.
22.	Chapter 16, page 1 Chapter 16, page 2-3, section B	Disapproval of owner Owner restrictions and penalties	The PHA has an obligation to field fair housing complaints against owners and make determinations. There is no mention of this requirement in the Plan. Similarly, the PHA has an obligation to determine whether units built after 1984 meet accessibility requirements. There is no mention of this requirement.	The Plan should be modified to include these obligations. The Plan should also set forth owner restrictions and penalties for fair housing violations.
23.	Chapter 17, page 2-3	Late payments	The Plan identifies the PHA's recourse when a homeseeker owes a repayment. It does not provide for what should occur when the PHA is late.	The Plan should be amended to include PHA payment accountability.

24.	Chapter 19, page 4	Project-based units	270 Parke Street is only entitled to 2 (not 3) units.	The provision should be corrected.
25.	Chapter 19, page 5	Types of housing that will not be assisted.	Manufactured homes and shared housing are disallowed recipients of Section 8 subsidies. These are affordable housing options that should be considered.	Amend the PHA Plan to allow for rent subsidies in these circumstances.
26.	Chapter 20, page 1-2, section A	Family Self Sufficiency Program	For years the PHA Plan has included this program, but it has never been activated. Once activated, Section 8 recipients would be able to use their subsidies towards the purchase of a home, such a a Desiderio Habitat for Humanity dwelling.	Immediately activate the program so that Section 8 tenants may apply for the Desiderio housing, thereby honoring the goal of providing permanent housing for homeless individuals on that site.

Comments on PHA Annual Plan

After Housing Department Staff and Affordable Housing Services

Meeting on 4/1/2011

To: Mayor Bogaard, Members of City Council and Housing Advocates
From: Michelle White
Affordable Housing Services
Re: Status of Comments on the Pasadena Public Housing Authority Plan
Date: 4/8/11

This communication is designed to bring you up to date on the comments submitted by Affordable Housing Services regarding Pasadena's Public Housing Authority Plan on Thursday, March 31, 2011, which is on tonight's City Council/Public Housing Authority agenda.

Myrtle Dunson, Aldra Allison and Jim Wong of the Housing Department met with me on Friday, April 1, 2011 to review all the PHA issues raised. (It is clear I should have separated our Agency's fiscal issues from the other PHA issues. Although there is additional advocacy to be undertaken, I think we have achieved as much as we can at this juncture. We should schedule meetings with Housing Director Bill Huang prior to the issuance of the next plan. Below are the resolutions that were reached.

Item #1: Inclusion of a Glossary. The glossary that was developed was inadvertently omitted, but it does not include all of the terms that may be of use, especially if they are terms used in pages 1-20. Pages 1-20 were developed by HUD and constitute a required component of the submission. Staff will include a glossary in the version that is submitted to HUD.

Item #2: Reasonable Accommodation for Persons with Disabilities who Threaten Personnel. Although staff stated that it is the practice to accommodate individuals with disabilities who are off their medication and who accommodate, they noted that the language in the Plan is from the Code of Federal Regulations (CFR) and were unwilling to modify the language of the Plan.

Item#3: Local Preference for Homeless Persons/Families. The local Plan provides a preference for homeless Pasadena residents. However, in practice, the existing local categories, including the one for "substandard housing" result in preference being given to homeless households. The definition for "substandard housing" will be included in the glossary. The preference point allowances are set forth in Chapter 4, page 8.

Item#4: Analysis of the PHA Payment Standards. The staff dealing with the City's Analysis of Impediments to Fair housing Choices (AI) will be advised of the comment. The AI will include an examination of the PHA payment standard and any effect on assisted units. I will monitor the AI process.

Item #5: Rent Burdens. Staff would not agree to the recommendation that rent burdens not exceed 30% -35% of an individual's income. Past HUD studies show that once a low income household pays more than 30% of their income on housing costs, it puts at risk its ability to pay for food, medical services and clothing. Notwithstanding these studies, HUD now gives PHAs the discretion to impose a rent burden of up to 40% of income during the first year and does not impose a cap on how much of a rent burden families may assume thereafter. Staff's position is that it is unable to adopt the recommendation of limiting the rent burden to 30%-35%, based on

the requirements set forth in the HUD Housing Choice provisions. This is an issue that should be the subject additional research and discussion the Department and the City, for this standard, coupled with the lack of rent control in Pasadena, could result in the displacement many very low and low income households. This is another issue that should be analyzed as part of the AI.

Item #6: requesting a Waiver from HUD to Lower the Payment Standard Below 90%. Although staff stated that the likelihood of seeking a waiver is nil, it would not agree to holding a hearing before asking for a waiver from HUD to establish a payment standard of less than 90%. Staff will follow HUD procedures, as set forth in the CFRs.

Item #7: Review Procedures. Staff clarified that program participants are allowed hearing and agreed that applicants should be allowed informal reviews. The provisions Chapter 18, page will be clarified.

Item #8: Hearing Procedures. Homeseekers are in fact permitted to present "good cause" evidence for missing appointments.

Item #9: Staff not bound by Hearing Officer's determinations. The staff, relying upon 24 CFR 982.555 e (6) (f), would not agree to be bound by hearing officer determinations.

Item #10: Affirmatively Furthering Fair Housing Certification. There is not a separate certification, but AFFH language is set forth.

Item #11: Reasons for Denying Reasonable Accommodations. The staff declined to establish more specific criteria for denials. The staff position is that it has to base its approvals/disapprovals of reasonable accommodation requests that are specific to family situations. Staff contends that the proposed Plan allows for case-specific solutions.

Item #12: Reasonable Accommodation Matters. Staff presented convincing arguments for needing 60 days to grant or deny reasonable accommodations (third party verification needed). Staff will take the accessibility recommendation under consideration.

Item #13: List of Translated Documents. HUD forbids local PHA from translating HUD documents. HUD's website has a list of documents it has translated.

Item #14: The New Phone System that Masks Phone Numbers. The Housing Department's new phone system is consistent with the City's policy. However, staff is committed to continue looking for ways to improve it.

Item #15: Payments to Owners. We agreed that Section 8 and Shelter + Care payments are made on a timely basis. While Housing staff generally agreed that other payments to owners should be made within 2 weeks, how to facilitate such a turn around should be raised with the Finance Department.

Item #16: Inclusion of Immigration Categories in the Plan. Staff reported that the language

(contained within the CFR) is too voluminous to include in the local Plan. Staff will modify the Plan to include a website address to the pertinent section of the CFR setting forth the immigration categories.

Item #17: Unreimbursed medical Expenses. Staff will consider the recommendation to exclude unreimbursed out of pocket medical expenses for all family members from a household's income not just head of households who are disabled or 62+.

Item #18: Absence of Family. This comment is withdrawn.

Item #19: Verification of Disability. Although fair housing case law holds that it is not necessary for individuals with an obvious disability do not have get a certification, staff noted that when the Department is audited by HUD, certification documentation is required.

Item #20: Additions to Family Composition. Staff did not agree that it is the PHA's responsibility to ensure that an owner's denial of an addition, even when the addition is being asked as a reasonable accommodation. However, staff noted that if an owner denied the addition that is necessary to reasonably accommodate the participant, the PHA would issue the family a voucher to relocate.

Item #21: Interest in the Unit. After a discussion with staff, this comment is being dropped. Staff may however reposition the sentence.

Item #22: Internal Investigation of Fair Housing Complaints Involving Owners. Staff disagreed that the PHA is charged with investigating fair housing complaints raised against owners with whom it contracts. However, PHA routinely refers tenants complaining of fair housing violations to the Housing Rights Center.

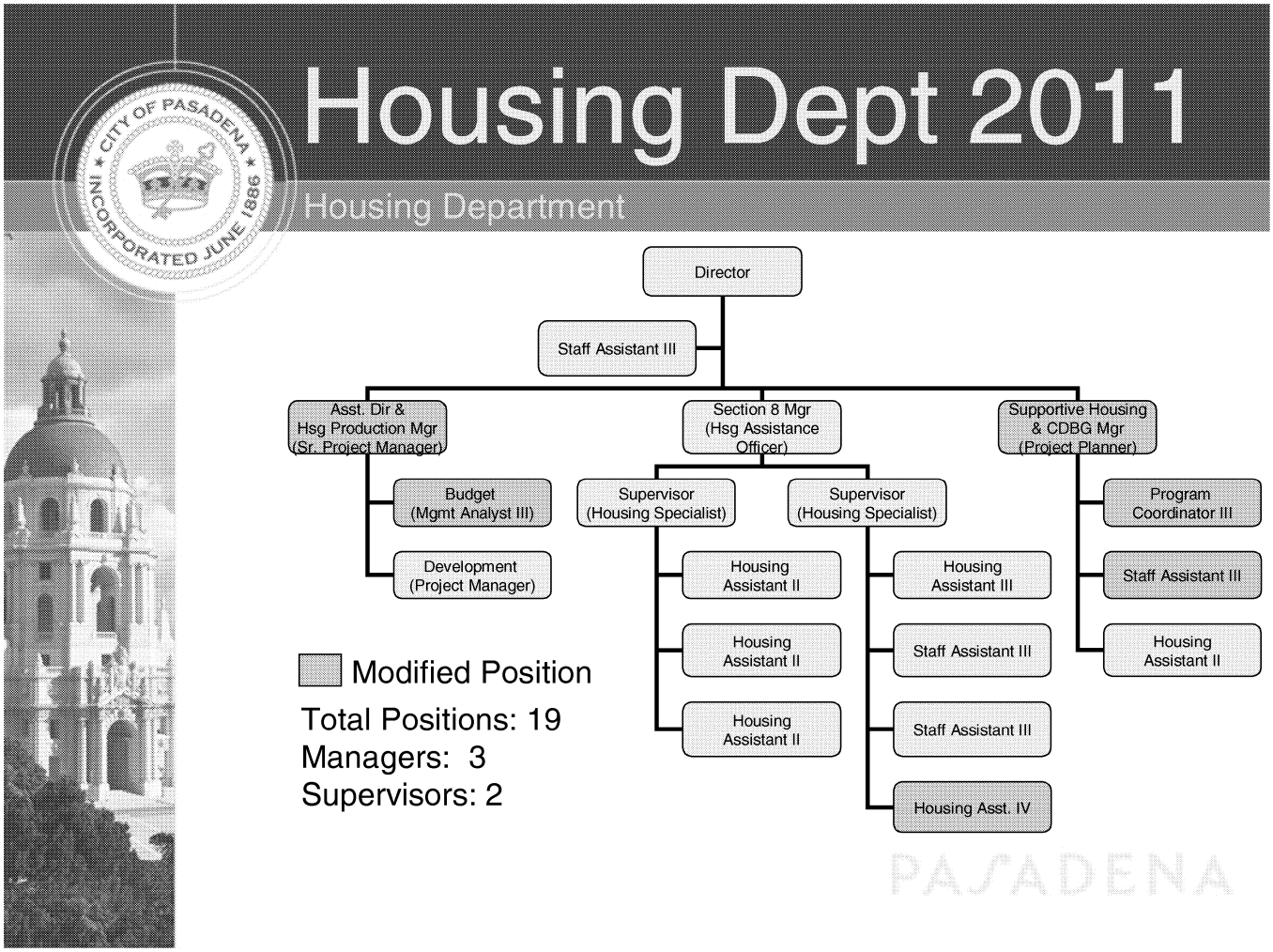
Item #23: Late Payments. The recommendations is already included in Chapter 11, page 5.

Item # 24: Project-Based Units. This notation will be modified once the contract between the PHA and Affordable Housing Services is modified.

Item #25: Types of Housing Not Assisted. Staff noted that the recommendation already apply to project-based units. Shared housing, while available, has a number of accompanying stringent requirements.

Item #26: Family Self Sufficiency Program. Staff explained that although the program was activated in 1999, it has not been funded for a number of years. Staff and advocates will discuss whether there are other ways by which to include Section 8 level tenants in the Desiderio project.

Attachment "G"


Housing Dept 2011
Housing Department
Director
Staff Assistant III
Asst. Dir & Hsg Production Mgr (Sr. Project Manager)
Section 8 Mgr (Hsg Assistance Officer)
Supportive Housing & CDBG Mgr (Project Planner)
Budget (Mgmt Analyst III)
Development (Project Manager)
Supervisor (Housing Specialist)
Supervisor (Housing Specialist)
Program Coordinator III
Staff Assistant III
Housing Assistant II
Housing Assistant II
Housing Assistant II
Housing Assistant III
Staff Assistant III
Staff Assistant III
Housing Asst. IV
Housing Assistant II
Modified Position
Total Positions: 19
Managers: 3
Supervisors: 2
PASADENA

Attachment "H"

Pasadena Community Development Commission
Rental Assistance Program
2011Administrative Plan

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GLOSSARY

CHAPTER 1

STATEMENT OF POLICIES AND OBJECTIVES

MISSION STATEMENT

The Pasadena Community Development Commission (PCDC) is part of the City of Pasadena Housing Department (Housing Department). The Mission Statement of the Housing Department is to be dedicated to providing affordable housing and community development opportunities for low and moderate income persons to enhance and strengthen our community.

INTRODUCTION

The Section 8 Housing Assistance Payments Program was originally enacted as part of the U.S. Housing Act of 1937. The Section 8 Rental Certificate and Rental Voucher Programs (Section 8 Program) were also later re-enacted as part of the Housing and Community Development Act of 1974, which recodified the U.S. Housing Act of 1937. The Housing and Community Development Act of 1974 (HCDA) has also been amended from time to time. The Federally funded Section 8 Program is administered by the U. S. Department of Housing and Urban Development (HUD) and participating public housing authority/agencies (PHA) under the Code of Federal Regulations (CFR), Title 24, Subtitle B - Housing and Urban Development, Parts 700-1699 (24 CFR 700-1699) and other applicable Federal and local regulations.

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

Essentially, HUD mandated the merger of the Section 8 Certificate and Voucher Programs into the new Housing Choice Voucher Program (HCVP), effective October 1, 1999. The merger was required by Congress when it enacted the Quality Housing and Work Responsibility Act of 1998. Under the HCVP, the PCDC will no longer issue Section 8 Program certificates. The PCDC will issue only HCVP rental vouchers to newly admitted program participants and to current certificate holders requesting to move. If a program participant was holding an active certificate on October 1, 1999, the certificate was converted to a Housing Choice Voucher (HCV).

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

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

A. RENTAL ASSISTANCE PROGRAMS

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

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

B. OBJECTIVES

The RAP is designed to achieve six major objectives:

1. To provide decent, safe, and sanitary housing for very low-income families while maintaining their rent payments at an affordable level.

2. To promote freedom of housing choice and spatial de-concentration of very low-income families of all races and ethnic backgrounds.

3. To provide an incentive to owners to rent to very low-income families by offering timely rental assistance payments.

4. To provide housing opportunities for persons with a special medical or physical need.

5. To assist the local economy by increasing the occupancy rate and the amount of money flowing to the community.

6. To encourage self-sufficiency of participant families.

C. PURPOSE OF THE ADMINISTRATIVE PLAN

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

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

D. FAIR HOUSING POLICY

[24 CFR 982.5; 424 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31]

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

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

To further its commitment to full compliance with applicable Civil Rights laws, the PCDC will provide Federal/State/local information to Rental Certificate and HCV holders regarding "discrimination" and any recourse available to them if they are victims of discrimination. Such information will be made available during the family briefing session, and all applicable Fair Housing Information and Discrimination Complaint Forms shall be a part of the Rental Certificate and HCV holder's briefing packet.

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

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

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

E. SERVICE POLICY/ACCOMMODATIONS

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

It is the policy of the PCDC to be service-directed in the administration of its housing programs, and to exercise and demonstrate a high level of professionalism while providing housing services to the families within the PCDC jurisdiction. Coupled with this policy is also the desire to extend customer-friendly and thorough service to applicants, participants, owners and others whom may have interest in the PCDC RAP by making their communication and/or visit to the Housing Department office as pleasant as possible.

More specifically, when a person visits the Housing Department office, the visitor will be greeted and requested to provide their name, identify the staff person they wish to speak to, the nature of their visit and if they have a scheduled appointment. The staff member will be immediately contacted and the visitor referred to the appropriate staff member, if they have a scheduled appointment. If it is an applicant, participant or owner who may be requesting general information regarding the status of their particular case, upon presentation of a pictured identification the receptionist will attempt to assist the person by accessing the Emphasys Elite Computer System to determine the present case status. However, in those situations where the visitor does not have picture identification or a scheduled appointment and the nature of their question requires the attention of a specific staff member who is not available, the visitor will be asked to complete a “Client Intake Form” and advised that the appropriate staff member will contact them within 72 hours. The same procedure will be followed for telephone inquiries.

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

Reasonable Accommodation

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

In order to facilitate a request for a reasonable accommodation, the requester must first complete the Request for a Reasonable Accommodation (RRA) form. However, if assistance is necessary to complete the RRA form, PCDC staff will facilitate.

Upon receipt of the RRA form, the PCDC will mail a Certification of Disability form to the professional third party that the family has identified to verify the person's status as a disabled person and their special housing needs. The PCDC will also require that the third party provide additional information concerning any specific accommodation that the disabled person may require.

The PCDC's Reasonable Accommodations Committee (RA Committee) is responsible for reviewing the RRA made by applicants and/or participants of the HCVP. The RA Committee is comprised of the Housing Assistant who is assigned to the family's case, the two Housing Specialists and the Housing Assistance Officer. Once a decision is made by the RA Committee, the assigned Housing Assistant will be responsible for notifying the family in writing of the RA Committee's decision on their request for reasonable accommodation.

The notification to the family will also inform the family of their rights to an informal review or informal hearing, if applicable, in accordance to CFR 982.554 and 982.555.

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

- Payment standard maybe adjusted in accordance to the CFR.
- Expiring vouchers, with less than 30 days remaining, may be granted an additional 60 days over the 180 days outlined in this Plan.
- Issue appropriate size HCV to relocate to an affordable unit.

- PCDC may grant two additional scheduled appointments over the standard written policy (see Chapter 4).

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

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

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

The PCDC will notify the family in writing within 60 days or longer, pending the return of required documentation, if their request for a reasonable accommodation has been approved or denied. If a person is denied the accommodation or feels that the alternative suggestions are inadequate, they may request an informal hearing to review the PCDC decision. The PCDC will make two attempts to obtain the required documentation. If the required documentation is not returned by the stated deadline, the PCDC will make a determination based on the documentation submitted by the family or requester.

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

All PCDC mailings will be made available in an accessible format, upon written request, as a reasonable accommodation if there is no undue administrative or financial burden.

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

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

At the annual re-examination, the PCDC will review and re-evaluate previously approved reasonable accommodation. The family will be required to complete the Request for Reasonable Accommodation form. The PCDC will mail a Certification of Disability and Housing Needs form to the professional third party indentified by the family to verify the person's disabled status and housing needs. In addition, families are required to inform the PCDC in writing within 15 days from the date of the change if their circumstances change as it relates to the accommodation.

F. TRANSLATIONS OF DOCUMENTS

The PCDC has bilingual staff to assist non-English speaking persons and to translate documents into Spanish. However, certain documents may be required to be translated by an outside certified translator.

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

1. Number of applicants and participants who do not speak English and speak other languages.

2. Cost of translation into other languages per client.

3. Evaluation of the need for translation by the bilingual staff and by agencies that work with non-English speaking clients.

4. The availability of organizations to translate documents, letters and forms for non-English speaking families.

5. Availability of bilingual staff to explain translated documents to clients.

PCDC will take reasonable steps to ensure meaningful access to their programs and activities by Limited English Proficiency (LEP) persons.

G. FAMILY OUTREACH

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

To reach persons who cannot read newspapers, PCDC may distribute fact sheets to broadcasting media, and initiate personal contacts with members of the news media and community service personnel. The PCDC may also utilize public service announcements. The PCDC may communicate the status of housing availability to other service providers in the community, and advise them of housing eligibility factors and guidelines in order that they can make proper referrals for housing assistance.

H. OWNER OUTREACH

The PCDC encourages owners of decent, safe and sanitary housing units to lease to families receiving rental assistance. The Housing Department has a free housing search website which is called Pasadena Housing Search and it is located at http://pasadenahousingsearch.com/. It has free listings and families are able to search for properties in and around the City of Pasadena and across the County of Los Angeles. PasadenaHousingSearch.com is a partner website and shares listings with the Los Angeles County Housing Resource Center (http://housing.lacounty.gov) which posts housing data, information and resources for the entire County of Los Angeles. Families and owners can list and search from either site.

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

1. Actively recruit owners and when appropriate grant exception rents for units located in areas with rents higher than the current HUD published Fair Market Rents (FMR) or the average city market rents.

2. Initiate contact with owners and managers by conducting formal and informal discussions and meetings.

3. Provide printed materials such as owner's packets, program brochures, federal regulations, etc., to acquaint owners and managers with the opportunities available under the program.

4. Actively participate in community-based organizations comprised of property and apartment owners and managers.

5. Periodically evaluate the distribution of assisted families to identify areas within the jurisdiction where owner outreach should be targeted.

6. Conduct periodic meetings with participating owners to improve owner relations and to recruit new owners.

I. PRIVACY RIGHTS

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

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

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

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

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

J. AFFIRMATIVE ACTION/EQUAL OPPORTUNITY

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

K. RULES AND REGULATIONS

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

L. JURISDICTION

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

M. MONITORING OF PROGRAM PERFORMANCE

Reports will be maintained to:

1. Monitor funding availability and ensure the PCDC is at maximum lease-up.
2. Track outstanding HCVs for expiration and/or suspension.
3. Track timeliness of annual re-examination/inspection activities.
4. Track number of failed inspections and abatements.
5. Track number and reason for moves and terminations of assistance.
6. Track number of new HCVs issued.
7. Track status of repayment amounts owed the PHA.
8. Track hard-to-house families.
9. Monitor/maintain names pulled from waiting list.
10. Monitor reports in PIH Information Center (PIC)

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

1. 50-60 % of annual re-examinations for staff not on probation and 100% of annual re-examinations new staff on probation.
2. 100% of new admissions and in-coming portable families.
3. 100% interim re-examinations.
4. 5% of the Housing Quality Standards (HQS) inspections conducted for all units.
5. 100% proposed terminations and end of participations.
6. 100% overpayment of rental assistance calculations.

N. TERMINOLOGY

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

Family is used interchangeably with applicant or participant and refers to a single person family household.

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

Landlord and owners are used interchangeably.

New Rule refers to the HUD Occupancy Regulations (subsidy standards) effective October 2, 1995.

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

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

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

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

Housing Choice Voucher (HCV) Program refers to the Tenant-Based Rental Assistance Program that essentially replaced the Section 8 Certificate and Voucher Programs, effective October 1, 1999.

See Glossary for other terminology.

O. CITY OF PASADENA HOUSING DEPARTMENT WEBSITE

Housing Department standard forms and informational handouts are available on its website. The standard program forms and informational handouts can be viewed and/or printed. To assist a list of forms/handouts along with a brief description of each document is available at http://www.ci.pasadena.ca.us/Housing/Standard_Forms.

CHAPTER 2

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

INTRODUCTION

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

A. ELIGIBILITY FACTORS

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

1. An applicant must be a "family."

2. A family must be income-eligible, within the appropriate income limits.

3. A family must be a citizen or a non-citizen who has eligible immigration status.

4. A family must sign an “Authorization for the Release of Information/Privacy Act Notice” form (Form HUD-9886) and PCDC forms.

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

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

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

B. FAMILY COMPOSITION [24 CFR 5.403, 982.201]

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

1. A "family" may be a single person or a group of persons.

2. A "family" includes a family with a child or children.

3. A group of persons consisting of two or more elderly persons or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides is a "family." The PHA determines if any other group of persons qualifies as a "family."

4. A single person family may be:

   (i) An elderly person.
   (ii) A displaced person.
   (iii) A disabled person.
   (iv) Any other single person.

5. A child who is temporarily away from the home because of placement in foster care may be considered a member of the family. Refer to Chapter 6 Section H of this Plan for additional information.

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

Live-in Aide [24 CFR 982.316]

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

The live-in aide:

1. Is determined to be essential to the care and well being to the person with disabilities.

2. Is not obligated for the support of the person(s).

3. Would not be living in the unit except to provide care for the person(s); and

4. Does not have a separate residence.

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

1. The person commits fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program.

2. The person commits drug-related criminal activity or violent criminal activity.

3. The person currently owes rent or other amounts to the PCDC or to another PHA in connection with Section 8 or public housing assistance; or

4. The person is under the age of 18.

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

1. Income of the live-in aides will not be counted for purposes of determining eligibility or level of benefits. However, information will be gathered.

2. Live-in aides are not subject to Non-Citizen Rule requirements.

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

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

A live-in aide may only reside in the unit with the approval of the PCDC. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or caseworker. The verification provider must certify that a live-in aide is needed for the care of the family member who is elderly, near elderly (50-61) or disabled. Verification must include the number of hours that care will be provided (see Chapter 7of this Plan).

A family member status cannot be changed to a live-in aide if there is an outstanding overpayment which was caused by the family member's actions.

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

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

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

C. INCOME LIMITATIONS [24 CFR 982.201]

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

1. A very low-income family; or

2. A low-income family in any of the following categories:

    a. A low-income family that is "continuously assisted" under the 1937 Housing Act. A family is continuously assisted if the family has received assistance under any 1937 Housing Act program. Programs include public housing, all rental assistance programs and all Section 23 programs.

    b. A low-income family physically displaced by rental rehabilitation activity under 24 CFR 511.

    c. A low-income, non-purchasing family residing in a HOPE 1 or HOPE 2 project.

    d. A low-income family that qualifies for voucher assistance as a non-purchasing family residing in a project subject to a homeownership program under §248.173 of this title.

    e. A low-income or moderate-income family displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing as defined in §248.101 of this title.

3. HUD requires that at least 75% of new admissions during the PCDC's fiscal year to be targeted to families at or below 30% of median income. This limitation does not apply to continuously assisted families, enhanced rental voucher recipients or certificate families who are converting to rental vouchers.

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

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

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

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

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

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

D. MANDATORY SOCIAL SECURITY NUMBERS [24 CFR 5.216]

Families are required to provide verification of Social Security numbers for all family members prior to admission. This requirement also applies to persons joining the family after admission to the program.

The addition of new household members under the age of 6 and do not have an assigned Social Security Number will be:

1. Included as household member and entitled to benefits.

2. PCDC will generate a PIC Alternate ID.

3. Head of Household (HOH) is allowed 90 days to provide documentation of the Social Security Number.

The PCDC may extend the time frame for an additional 90 days if unforeseen circumstances outside of the control of the head of household prevented the disclosure of the required documentation.

The addition of new household members who have an assigned Social Security Number and have not submitted verification will not be:

1. Added to the family composition until the family has complied with the Social Security Number disclosure and verification requirements.

2. Generated a PIC Alternate ID.

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

1. Individual's full name.

2. Date of birth.

3. State that the individual has not been assigned a Social Security number (specify reason).

4. State that the individual will disclose the number when s/he later obtains a Social Security number.

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

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

For acceptable reasons for rejection of tenant-provided documentation, see Chapter 7 Section H of this Plan.

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

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

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

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

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

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

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

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

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

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

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

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

2. No family member may have committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program in the last five years unless the PCDC or PHA has imposed a lifetime restriction from participating due to the nature of the violation(s), crime or offense.

3. Family must have paid any outstanding debt owed the PCDC or another housing agency as a result of prior participation in any Federal housing program. Family will have 90 days to pay any outstanding debts in full once their name has been reached.

4. No member of the family may have engaged in drug-related or violent criminal activity within the last five years.

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

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

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

5. No family member may have been evicted from Federally assisted housing for any reason during the last five years.

6. No family member may have engaged in or threatened abusive or violent behavior toward PCDC personnel or their property.

7. Family member(s) must not be subject to a lifetime registration requirement under a State sex offender registration program.

8. No family member may have been convicted of drug-related criminal activity involving manufacture or production of methamphetamine on the premises of Federally assisted housing.

9. Students enrolled in an institution of higher education, who are:

    a. Under the age of 24;
    b. Not a veteran;
    c. Unmarried;
    d. Do not have a dependent child;
    e. Have not established a separate household from their parents or legal guardians for at least one year prior to applying for rental assistance;
    f. Nor claimed as a dependent by parents or legal guardians on their Internal Revenue Services tax return; and
    g. Not receiving financial support from parent or legal guardians.

G. SUITABILITY OF FAMILY

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

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

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

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

I. INELIGIBLE FAMILIES

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

CHAPTER 3

APPLYING FOR ADMISSION

INTRODUCTION

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

A. HOW TO APPLY

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

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

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

B. OPEN ENROLLMENT [24 CFR 982.206]

The PCDC will utilize the following procedures for opening the waiting list. When the PCDC has determined that either; 1) it is in receipt of additional funding allocations from HUD and subsequent amendment to the Consolidated Annual Contributions Contract (ACC) for new vouchers, and/or 2) the existing waiting list has been substantially depleted (200 names or less of applicants with residency preference), the PCDC may open registration to the waiting list for new applicants.

Opening of the waiting list (open enrollment) will be advertised through an affirmative marketing strategy, which will give 30-day advance notice prior to open enrollment. The following marketing methods may be utilized to disseminate information regarding open enrollment to the widest spectrum of the general public:

1. Public notifications in local newspapers of general circulation.

2. Public service announcements on local television and cable networks.

3. Announcements in minority media.

4. Distribution of notices to social services agencies (i.e., Social Security Administration, Department of Public Social Services, Employment Development Department, City Department of Human Services and Recreation, Pasadena Senior Center, and local libraries, etc.).

5. Notification and solicitation of current HCVP participants and owners to inform interested households; and

6. Other suitable means for notification of the availability and nature of the HCVP, such as:

    a. Special feature articles in local newspapers or on local cable networks which highlight how the program can assist various types of households.

    b. Provision of a HCVP fact sheet to the broadcast media.

    c. Distribution of pamphlets and other program information in English, Spanish, and other languages specific to the general population, provided it does not cause an undue financial burden to the PCDC; and

    d. Direct contact with civic organizations and agencies for whose constituents English is not their primary language.

    e. City of Pasadena Housing Department website.

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

The Public Notice must contain:

1. The dates and times when families may apply and the method of enrollment.

2. The program(s) for which applications will be taken.

3. A brief description of the program(s).

4. Limitations, if any, on whom may apply.

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

Suspension of Enrollment Period

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

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

C. APPLICATION PROCEDURES

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

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

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

1. Name and age of applicant and all household members.

2. Sex and relationship of all household members.

3. Home address and telephone numbers.

4. Mailing address (P.O. Box or other reliable address).

5. Assets owned by any and all household members.

6. Amount(s) and source(s) of income received by household members.

7. Information regarding disabilities relating to program requirements (i.e., allowances).

8. Information related to qualification for preferences.

9. Social Security numbers.

10. Race/ethnicity.

11. Citizenship/eligible immigration status.

12. Convicted of and/or engaged in drug-related or violent criminal activity.

13. Request for reasonable accommodation needed to fully utilize program and services.

14. Program integrity questions regarding previous participation in HUD programs.

Duplicate applications, including applications from a segment of an applicant household, will be combined as one in which case the first application submitted will be accepted and all others will be denied. Incomplete applications will not be accepted. Applications will not be accepted if the applicant fails to comply with the open enrollment process and/or instructions.

The initial processing of applications will not require an interview. Eligibility will be determined when an availability of a new HCV exists for issuance, and applicant information has been verified or re-verified no more than 60 days prior to scheduled date for issuance of the HCV.

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

If a letter is returned by the Post Office without a forwarding address, the applicant will be removed from the waiting list without further notice, and the envelope and letter will be maintained in the file.

If correspondence is returned with a forwarding address, it will be re-mailed to the address indicated by the Post Office. However, the correspondence will only be re-mailed once. In the event that the correspondence is returned by the Post Office a second time, the applicant will be removed from the waiting list due to the family's failure to report a change of address. In the event that a second instance occurs at a future mailing where the correspondence is returned by the Post Office with a forwarding address, the applicant will be removed from the waiting list due to family's failure to report a change of address in writing to the PCDC.

E. TIME OF SELECTION

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

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

F. COMPLETION OF A FULL APPLICATION

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

G. INTERVIEW REQUIREMENTS

The PCDC utilizes the full application interview to discuss the family's circumstances in greater detail, to clarify information which has been provided by the family, and to ensure that the information is true and complete. The interview is also used as a vehicle to meet the informational needs of the family by providing information about the application and verification process, as well as to advise the family of other PCDC services or programs which may be available. All adult family members are required to attend the interview and sign PCDC forms. If the family requires a reasonable accommodation to facilitate the interview, the applicant must submit a written request for reasonable accommodation at least five days prior to the scheduled appointment.

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

If an applicant fails to appear for their second appointment, their application will be denied unless they can provide acceptable documentation to the PCDC that an emergency prevented them from calling and/or attending.

If the applicant arrives for the appointment with incomplete forms and without the requested information and all adult family members, applicants will not be seen and this appointment will be considered a missed appointment.

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

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

1. Form HUD-9886 Authorization for the Release of Information/Privacy Act Notice.

2. Form HUD-1140 Things You Should Know.

3. Federal Privacy Act Statement.

4. PCDC Authorization for Release of Information.

5. HCVP Application and all supplemental forms required by the PCDC.

6. Declaration of Section 214 Status.

7. Client Screening – Criminal History Background.

8. What You Should Know About EIV.

9. Debts Owed to the Public Housing Agencies and Terminations.

Applicants will be required to sign specific verification forms for information and all supplemental forms required by the PCDC. Failure to do so will be cause for removal of the applicants name from the waiting list. However, a person may sign on behalf of applicant or adult family member only when a power of attorney or conservatorships is in place.

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

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

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

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

H. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY

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

CHAPTER 4

ESTABLISHING PREFERENCES AND MAINTAINING THE WAITING LIST [24 CFR Part 5, Subpart D; 982,203; 982.204; 982.205; 982.207; 982.553]

INTRODUCTION

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

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

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

A. APPLICATION POOL

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

1. The applications will be maintained in a database file.

2. All applicants in the pool will be maintained in the order of preference and date and time of the application.

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

1. Applicant name.

2. Family unit size (number of bedrooms for which family qualifies based on the occupancy standards).

3. Date and time of application.

4. Qualification of any local preferences.

5. Racial or ethnic designation of the head of household.

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

When HUD awards the PCDC funding for a specified category of families on the waiting list, the PCDC must select applicant families in the specified category. The PCDC must be a single waiting list for admission to its Section 8 Tenant-Based Assistance Program (TBAP).

Special Admissions [24 CFR 982.203]

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

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

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

1. A family displaced because of demolition or disposition of a public or Indian housing project.

2. A family residing in a multi-family rental housing project when HUD sells, forecloses or demolishes the project.

3. For housing covered by the Low Income Housing Preservation and Resident Homeownership Act of 1990.

4. Contract at or near the end of the HAP Contract term; and

5. A non-purchasing family residing in a HOPE 1 or HOPE 2 Project.

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

B. WAITING LIST PREFERENCES [24 CFR 982.553]

An applicant will not be granted any preference if any member of the family has been evicted from any Federally assisted housing during the past five years because of drug-related criminal activity or due to any program violations.

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

1. The responsible member has successfully completed a rehabilitation program.

2. The evicted person was not involved in the drug-related activity that occasioned the eviction.

3. The evicted person is no longer involved in any drug-related criminal activity.

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

C. LOCAL PREFERENCES [24 CFR 982.207]

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

The PCDC uses the following local preferences:

1. Residency preference for applicants in which the head of household or spouse lives in Pasadena.

2. Applicants in which the head of household or spouse works full-time or attends school full-time (as defined by the school or institution) within the PCDC's jurisdiction.

3. Disabled preference for applicants in which the head of household or spouse is disabled.

4. Veteran preference in which the head of household is a current member of the military, a veteran, or the surviving spouse of a veteran.

5. Applicants who have been involuntarily displaced (as described below).

6. Applicants who are currently residing in substandard housing (as described below).

An applicant shall be given the benefit of the working preference if the head and spouse, or sole member is age 62 or older or is a person with disabilities.

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

Involuntary Displacement

Involuntarily displaced applicants are applicants who have been involuntarily displaced and are not living in standard, permanent replacement housing, or will be involuntarily displaced within six months from the date of preference status verification by the PCDC.

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

1. A disaster (fire, flood, earthquake, etc.) that has caused the unit to be uninhabitable. To receive the preference for involuntary displacement, a written notice of displacement must be submitted. This notice can be provided by an agency or government in the case of displacement due to natural disaster such as fire, earthquake, or flood or displacement due to governmental action.

2. Federal, State or local government action related to code enforcement, public improvement or development.

3. Action by a residential owner which is beyond an applicant's ability to control, and which occurs despite the applicant having met all previous conditions of occupancy, and is other than a rent increase.

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

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

   a. Conversion of an applicant's housing unit to non-rental or non-residential use.

   b. Closure of an applicant's housing unit for rehabilitation or non-residential use.

   c. Notice to an applicant that s/he must vacate a unit because the owner wants the unit for the owner's personal or family use or occupancy.

   d. Sale of a housing unit in which an applicant resides under an agreement that the unit must be vacant when possession is transferred; or

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

4. Actual or threatened physical violence directed against the applicant or the applicant's family by a spouse or other household member who lives in the unit with the family. The actual or threatened violence must have occurred within the past 120 days or be of a continuing nature.

   The PCDC will comply with the Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA), which protects family members who are victims of domestic violence, dating violence, or stalking from being evicted or terminated from housing assistance based on acts of such violence against them. Form HUD–50066 Certification of Domestic Violence, Dating Violence or Stalking is to be completed, signed and submitted by the family within 14 business days of the request.

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

   The PCDC will approve the return of the abuser to the household under the condition that a counselor, therapist or other appropriate professional recommends, in writing, that the individual be allowed to reside with the family. If the abuser returns to the family without approval of the PCDC, the PCDC will deny or terminate assistance for breach of the certification.

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

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

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

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

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

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

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

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

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

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

Standard Replacement Housing

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

Standard replacement housing is defined as housing that is decent, safe and sanitary according to Housing Quality Standards (HQS), and is adequate for the family size according to HQS.

Standard replacement housing does not include transient facilities, hotels, motels, temporary shelters. In the case of domestic violence, the family will not be eligible for this preference if the family relocates and the abuser continues to reside with the family at the new location. It does not include any individual imprisoned or detained pursuant to State law or an Act of Congress. Shared housing with family or friends is not considered temporary and is not considered standard replacement housing.

Substandard Housing

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

1. Is dilapidated as cited by officials of a code enforcement office and does not provide safe, adequate shelter; has one or more critical defects or a combination of defects requiring considerable repair; endangers the health, safety, and well-being of the family.

2. Does not have operable indoor plumbing.

3. Does not have a usable flush toilet in the unit for the exclusive use of the family.

4. Does not have usable bathtub or shower in unit for exclusive family use.

5. Does not have adequate, safe electrical service.

6. Does not have an adequate, safe source of heat.

7. Does not have a kitchen. (Single Room Occupancy [SRO] Housing is not substandard solely because it does not contain sanitary and/or food preparation facilities in the unit.)

8. Has been declared unfit for habitation by a government agency.

9. Is overcrowded according to HQS. Note: Persons who reside as part of a family unit shall not be considered a separate family unit for substandard housing definition preference purposes.

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

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

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

    a. A supervised public or private operated shelter designated to provide temporary living accommodations (including welfare hotels, congregate shelters and transitional housing for mentally ill); or

    b. An institution providing temporary residence for individuals intended to be institutionalized; or

    c. A public or private place not designed for or ordinarily used as a regular sleeping accommodation for humans.

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

D. TARGETED FUNDING

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

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

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

E. PREFERENCE ELIGIBILITY

Change in Circumstances

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

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

F. ORDER OF SELECTION [24 CFR 982.207]

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

Local Preferences

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

a.	Residency Preference – lives in City of Pasadena:	20 pts.
b.	Works full-time or attends school full-time in the City of Pasadena:	2 pts
c.	Families with a disabled head of household or spouse:	2 pts
d.	Substandard Housing:	5 pts
e.	Involuntary Displacement:	5 pts
f.	Veteran's Preference:	5 pts

Among Applicants with Equal Preference Status

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

G. FINAL VERIFICATION OF PREFERENCES

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

H. PREFERENCE DENIAL

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

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

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

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

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

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

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

If an applicant fails to honor two briefing session appointments, the application for rental assistance will be disqualified. However, a final appointment may be scheduled if the applicant can demonstrate a valid reason (i.e., medical, etc.) why they were unable to keep the briefing session appointments.

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

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

CHAPTER 5

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

INTRODUCTION

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

A. DETERMINING BEDROOM SIZE [24 CFR 982.402]

All standards in this section relate to the number of bedrooms on the rental certificate or voucher, not the family's actual living arrangements. The PCDC does not determine who shares a bedroom/sleeping room. The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding. The PCDC's subsidy standards for determining the HCV bedroom size will be applied consistently for all families of like size and composition. The PCDC will apply the guidelines listed below when determining the HCV bedroom size:

1. Foster children will be included in determining unit size only if they will be in the unit for more than three months.

2. A child who is temporarily away from the home because of placement in foster care will be considered when determining the voucher bedroom size, only if the family submits documentation supporting the placement is temporary and does not exceed three months from the date the HCV was issued.

3. In a joint custody arrangement, if the minor is in the household less than 180 days per year, the minor will be considered to be an eligible visitor and not a family member. See Chapter 7 of this Plan, "Verification Procedures."

4. Full-time students who will be living away from home will be removed from the household.

5. A family member who will be absent from the home for more than three consecutive months in a 12-month period will not be considered when determining the HCV bedroom size.

6. Any live-in aide, approved by the PCDC to reside in the unit to care for a family member who is disabled or is at least 50 years of age, must be counted in determining the HCV bedroom size.

7. Unless a live-in aide resides with the family, the family unit size for any family consisting of a single person must be either a zero or one bedroom as determined under the PCDC subsidy standards.

8. In determining family unit size for a particular family, the PCDC will not grant an exception to its established subsidy standards. However, the PCDC may grant an exception to the subsidy standards as a reasonable accommodation.

A Single Person Who is Pregnant

1. A single pregnant woman must be at or below the income limit for one person.

2. In establishing the appropriate space standards for the number of bedrooms, the PCDC will consider the size of the household with the unborn child included.

3. The single pregnant woman will not be entitled to the benefit of the $480.00 dependent allowance until after the birth of the child, during an interim re-examination.

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

Changes for Applicants

The members of the family residing in the unit must be approved by the PCDC. The family must obtain approval of any additional family member before the person occupies the unit except for additions by birth, adoption, or court-awarded custody of a non-criminal nature, in which case the family must inform the PCDC within 15 days by completing an Update of Family Circumstances form and submit supporting information regarding the change.

If an applicant with a voucher reports a change in family circumstances prior to admission, the family's eligibility will be re-evaluated.

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

Changes for Participants

The members of the family residing in the unit must be approved by the PCDC. The family must obtain approval of any additional family member before the person occupies the unit except for additions by birth, adoption, or court-awarded custody of a non-criminal nature, in which case the family must inform the PCDC within 15 days by completing an Update of Family Circumstances form and submit supporting information regarding the change.

Under-Housed and Over-Housed Families

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

C. UNIT SIZE SELECTED

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

1. **Utility Allowance:** The utility allowance used to calculate the gross rent is based on the actual size of the unit the family selects, regardless of the bedroom size authorized.

2. **Housing Quality Standards:** The standards allow two persons per living/sleeping room and permit maximum occupancy levels (assuming a living room is used as a living/sleeping area) as shown in the table below. The levels may be exceeded if a room in addition to bedrooms and living room is used for sleeping.

3. For a voucher tenancy, the PCDC establishes payment standards by number of bedrooms. The payment standards for the family must be the lower of:

   - The payment standard for the family unit size; or
   - The payment standard for the unit size rented by the family.

4. The family may lease an otherwise acceptable dwelling unit with fewer bedrooms than the family unit size. However, the dwelling unit must meet the applicable HQS space requirements.

5. The family may lease an otherwise acceptable dwelling unit with more bedrooms than the family unit size. However, the issued HCV payment standard will be used to determine the contract rent.

HOUSING SUBSIDY STANDARDS GUIDELINES FOR UNIT SIZE SELECTED

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

Effective January 1, 2011, the PCDC will review all cases at the annual re-examination to re-determine and apply the Housing Choice Voucher (HCV) bedroom size in accordance with the PCDC's Housing Subsidy Standards, which are as follows:

Families affected by the change in HCV bedroom size will be informed of their new tenant rent based on their new HCV bedroom size. The family will be informed of the option to remain in the assisted unit paying a higher tenant rent or move with continued assistance. If the tenant rent exceeds the monthly income, the family will be required to move.

Additionally, the family will be required to sign an updated HCV.

CHAPTER 6

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

INTRODUCTION

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

A. INCOME AND ALLOWANCES

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

Elements of Annual Income

- Income from Assets: Annual income includes income from assets earned during the 12-month period and to which any family member has access.

- Income of Dependents: A dependent is a family member who is under 18 years of age, is disabled, or is a full-time student. The head of household, spouse, foster child, or live in aide are never dependents. Some income contributed to the household by dependents is counted and some is not.

- Earned income of minors (family member under 18) is not counted.

- Unearned income of both children and adults is counted.

- Although full-time students 18 years of age or older are technically identified as dependents, a small amount of their earned income will be counted. Only up to $480 of the earnings of a full-time student who is 18 years of age or older (other than the head, spouse, or co-head) is included in annual income; the rest is excluded.

- All income of a full-time student, 18 years of age or older, is counted if that person is the head of household or spouse.

- A payment received by the family for the care of foster children or foster adults is not counted. This applies only to payments made through official foster care relationships with local welfare agencies.

Income of Temporarily Absent Family Members

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

All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, spouse, or other person whose dependents are residing in the unit will be counted. The only exception is special pay for exposure to hostile fire.

Income of Family Members who Work as Private Nurse/Care Attendant

The PCDC must count all income of family members who have reported that they work as a private nurse/care attendant, and are away for the majority of the week and come back to the assisted unit during their days off.

Regular Contributions and Gifts

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

Any contribution or gift received for two months or more frequently will be considered a "regular" contribution or gift, unless the amount is less than $50 per year. This may include the rent and utility payments paid on behalf of the family and other cash or non-cash contributions provided on a regular basis. Periodic and other determinable allowances, such as alimony and child support payments, and regular contributions or gifts from organizations or from persons not residing in the dwelling, qualify and must

be reported. It does not include casual contributions or sporadic gifts (see Chapter 7 of this Plan, "Verification Procedures," for further definition).

If the family's expenses exceed its known income, the PCDC will question the family about contributions, gifts or other sources of income.

Seasonal Income

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

Income from Temporary Work Assignments

Income from temporary work assignments will be counted if the family has a history of working temporary assignments. Annual income will be anticipated based on the earnings identified on the EIV report, W-2 forms, and pay stubs provided by the family.

Income from Business (Includes Self-Employment Income)

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

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

Student Financial Assistance

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

The portion of the financial assistance that exceeds the cost of tuition may be included in annual income (refer to Chapter 7 of this Plan).

Resident Service Stipend

A resident service stipend is a modest amount received by a resident for performing a service for the PCDC or owner, on a part time basis, that enhances the quality of life in the development.

Amounts received under a resident service stipend (not to exceed $200 per month) are excluded from annual income. If a resident service stipend exceeds $200 per month, the entire amount must be included in annual income.

Collection of rent is not considered a resident service stipend, but a job which income is included in annual income.

State or Local Employment Training Programs

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

- A qualified training program is one that is part of a State or local employment-training program and has clearly defined goals and objectives. This would include programs that have the goal of assisting participants in obtaining employment skills, and are authorized or funded by Federal, State, or local law or operated by a public agency.

- Only exclude the compensation related to the training; other sources of household income are still included.

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

Earned Income Disallowance for Persons With Disabilities

This disallowance applies to participants in the HCVP.

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

1. Employment of a family member who is a person with disabilities, AND was previously unemployed for one or more years prior to employment. (HUD's definition of "previously unemployed" includes a person who has earned, in the 12 months prior to employment, not more than would have been earned at the established minimum wage working 10 hours per week for 50 weeks.)

2. Increased earning by a family member who is a person with disabilities, AND is a participant in any economic self-sufficiency or job-training program.

3. New employment or increased earning by a family member who is a person with disabilities, AND within the past six months, has received assistance, benefits or services under any State program for temporary assistance (TANF, Welfare-to-Work).

- Not limited to cash assistance.
- Includes one-time payments, wage subsidies, transportation assistance.
- Total amount over a six-month period must be at least $500.
- Initial 12-month full exclusion begins the date the family member (with disabilities) is employed, or first experiences an increase in income due to employment. The full amount of increase is excluded, and the exclusion extends for a total of 12 cumulative months.
- Second 12-month exclusion and phase-in begins when the family member has received 12 cumulative months of full exclusion. Fifty percent (50%) of any increase is excluded. The exclusion extends for a total of 12 cumulative months.
- Lifetime maximum four year disallowance. The initial full exclusion is applied for a maximum of 12 cumulative months. The phase-in 50% exclusion is applied for a maximum of 12 cumulative months.

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

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

Reduction in Welfare Benefits

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

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

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

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

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

The PCDC may not include imputed income in an annual income if the family was not assisted at the time of the sanction.

Income of Confined Family Members

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

Alimony and Child Support

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

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

Lump Sum Payments

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

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

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

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

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

1. The PCDC will calculate prospectively if the family reported the payment within 15 days.

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

Payments in Lieu of Earnings

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

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

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

Prospective Calculation Methodology

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

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

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

1. At the next annual re-examination, the PCDC will apply the percentage balance (75% in this example) to the lump sum and add it to the rest of the annual income.

2. The lump sum will be added in the same way for any interim re-examination which occurred prior to the next annual re-examination.

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

Retroactive Calculation Methodology

1. The PCDC will go back to the date the lump sum payment was considered, as long as that date is not prior to program participation.

2. The PCDC will determine the amount of income for each examination period, including the lump sum, and recalculate the tenant rent for each examination period to determine the amount due the PCDC.

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

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

Attorney Fees

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

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

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

- Withholding from wages to pay child support, alimony or a judgment creditor.

- Garnishment for failure to pay child support, alimony or a judgment creditor.

- The situation does not include those where the family incurs attorney fees unrelated to asserting a right to a source of income or where no income results from the attorney's actions. These are the financial responsibility of the family and are not deducted in determining annual income.

Determining Income from Net Family Assets

The PCDC is required to include in the calculation of annual income any interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. Any withdrawal of cash or assets from an investment will be included in income, except to the extent that the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of $5000, annual income shall include the greater of the actual income derived from net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.

Assets include:

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

Assets Disposed of for Less than Fair Market Value

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

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

Contributions to Retirement Funds

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

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

Equity in Real Property

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

Adjusted Income

A family's adjusted income is the family's annual income minus any deductions mandated by HUD regulations for which the family qualifies. These deductions are called allowances.

Dependent Allowance

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

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

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

Elderly or Disabled Family Allowance

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

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

Child Care Allowance

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

1. The care is necessary to enable a family member to be gainfully employed, actively seek work, or further his/her education (academic or vocational);

2. The expense is not reimbursed by an agency or individual outside the household; and

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

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

1. Child Care to Work: The maximum child care expense allowed must be less than the amount earned by the person enabled to work. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.

2. 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 one hour travel time to and from school).

3. Amount of Expense: The PCDC will survey the local care providers in the community as a guideline. If the hourly rate materially exceeds the guideline, the PCDC may calculate the allowance using the guideline survey from the community.

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

Disability Assistance Expense Allowance

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

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

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

Medical Expense Allowance

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

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

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

Medical expenses may include:

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

- Live-in or periodic medical assistance.

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

(See Publication IRS 502 for covered expenses.)

Minimum Rent and Minimum Family Contribution

Minimum family contribution in the HCVP is $50.

Exemptions to Minimum Rents:

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

1. The family has lost eligibility for or is awaiting an eligibility determination for a Federal, State, or local assistance program, including a family that includes a member who is noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits, but for Title IV of Personal Responsibility and Work Opportunity Act of 1996.

2. The family would be evicted because it is unable to pay the minimum rent.

3. The income of the family has decreased due to changed circumstances, including:

    - Loss of employment.

    - Death in the family.

    - Other circumstances determined by the PCDC or by HUD.

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

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

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

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

1. No qualifying financial hardship:

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

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

2. Temporary qualifying financial hardship:

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

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

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

3. Long term qualifying financial hardship:

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

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

B. AVERAGING INCOME

When annual income cannot be anticipated for a full 12 months, the PCDC may:

1. Average known sources of income that vary to compute an annual income; or

2. Annualize current income and conduct an interim re-examination if income changes.

If there are bonuses, commission, tips and/or overtime that the employer cannot anticipate for the next 12 months, income from the previous year may be analyzed and used to determine the amount to anticipate when third party or check-stub verification is not available.

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

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

C. ZERO INCOME

The PCDC will conduct a review every 90 days for families who report zero income. Family will be required to complete the Personal Declaration for Rental Assistance Benefits and Family Expenses forms. Additionally, a notarized Affidavit declaring income status will be required.

All families are encouraged to apply for benefits and will be referred to supportive service providers. The PCDC will send out third-party verifications to support the family claim.

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

Applicability

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.

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

Prorated Assistance Calculation

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

1. Determine gross rent (rent to owner plus utilities) for the unit.

2. Determine the housing assistance payment amount, taking into consideration the income of all household members.

3. Determine the proration factor by dividing the number of eligible family members (citizens and those with eligible immigration status) by the total number of members in the household.

4. Multiply the housing assistance payment amount calculated in Step 2 by the proration factor calculated in Step 3 to determine the family's eligible subsidy portion or prorated housing assistance payment.

5. Subtract the prorated housing assistance payment (Step 4) from the gross rent (Step 1).

E. TENANT RENT

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

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

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

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

F. RENT BURDEN [24 CFR 982.508]

When a family is approved for initial occupancy of a dwelling unit, the rent burden for that family cannot exceed 40% of the family's monthly adjusted income. This restriction also applies to families who move with continued assistance (see Chapter 12 of this Plan).

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

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

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

Where the utility allowance exceeds the family's TTP, the PCDC will provide a Utility Reimbursement Payment for the family each month.

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

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

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

It is the responsibility of the head of household to report changes in family composition, in writing, within 15 days of the change by completing an Update of Family Circumstances form and submit supporting information regarding the change. The PCDC will evaluate absences from the unit using this policy.

Absence of Entire Family

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the unit, the PCDC will terminate assistance in accordance with appropriate termination procedures (see Chapter 15 of this Plan).

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

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

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

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

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

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

Absence of Any Member

Any member of the household will be considered permanently absent if the family member is away from the unit for three (3) consecutive months or 180 days in a 12-month period, except as otherwise defined in this Chapter.

Absence Due to Medical Reasons

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

Absence Due to Incarceration

Any member of the household will be considered permanently absent if the family member is incarcerated for three consecutive months or 180 days in a 12-month period. If the PCDC determines the reason for incarceration is for drug-related or violent criminal activity, termination of assistance may ensue.

Foster Care and Absences of Children

If the family includes a child or children temporarily absent from the home due to placement in foster care, the PCDC will determine from the appropriate agency when the child/children will be returned to the home.

If the time period is to be greater than 90 days from the date of removal of the child/children, the HCV size will be reduced and the family will be issued a new HCV.

Absence of Adult

If neither parent remains in the household and the appropriate agency has yet to determine that another adult is to be brought into the assisted unit to care for the children for an indefinite period, the PCDC will treat that adult as a visitor for the first 30 days.

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

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

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

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

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

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

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

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

The family will be required to notify the PCDC, in writing, within 15 days when an adult family member moves out. The notice must contain a certification by the family as to whether the adult is temporarily or permanently absent. The family member will be determined permanently absent if verification is provided (refer to Chapter 7 of this Plan for required verifications).

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

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

Full-time students who attend school away from the home are considered permanently absent.

Visitors

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

Absence of evidence of another address as the visitor's principal place of residence will be considered verification that the visitor is a family member. Statements from neighbors and/or the owner will be considered in making the determination.

Use of the unit address as the visitor's or non-visitor's current residence address for any purpose is prohibited. The family must not allow anyone who is not part of the approved family composition to use the assisted unit address for mailing purposes.

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

Minors and college students who were part of the family, but who now live away from home during the school year are not considered members of the household, but they may visit for up to 90 days per year without being considered a member of the household. However, the family must notify the PCDC, in writing, the name of the visitor and length of the stay prior to the visit.

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

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

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

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

Reporting Absences to the PCDC

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

If a family member leaves the household, the family must report this change to the PCDC, in writing, within 15 days of the change and certify as to whether the member is temporarily absent or permanently absent. The PCDC will conduct an interim re-examination for changes which affect the TTP, housing assistance payment and HCV bedroom size in accordance with the interim policy.

CHAPTER 7

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

INTRODUCTION

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

A. METHODS OF VERIFICATION AND TIME ALLOWED

HUD identifies the following levels in its hierarchy of verification:

1. Up-Front Income Verification (UIV) /Enterprise Income Verification (EIV) System (see Chapter 24 for EIV Security Policy and Procedures). Automated third party verification.

2. Third-Party Written Verification.

3. Third-Party Oral Verification.

4. Review of Documents.

5. Tenant Declaration/Certification.

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

For applicants, verifications may not be more than 60 days old at the time of issuance of a HCV. For participants, they are valid for 120 days from date of receipt.

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

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

Current UIV resources include:

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

As part of the EIV requirements, prior to admission, the PCDC should query each adult household member's Social Security Number to determine if a PHA has reported a debt or adverse termination to determine the family's eligibility for participation in the HCVP.

The PCDC is required to review the Income Report for new admissions within 90 days of the admission date, to confirm/validate family reported income.

The PCDC will review and print the EIV report for all program participants during the time of their annual re-examination. The report will be reviewed to determine whether a discrepancy exists between the tenant reported information and EIV. The report will be maintained in a sealed envelope in each participant case file.

The PCDC will review the EIV report when processing an interim re-examination. However, the report would only be printed if it reveals a discrepancy between tenant provided and the EIV report. The PCDC is only required to maintain a copy of the Income Control Number (ICN) page generated after the EIV report is viewed and determined the report matches the tenant reported information.

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 mail. The family will be required to sign an authorization for the information source to release the specified information.

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

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

The PCDC will not be required to request third-party banking verifications for non-interest bearing accounts, if the family's total net cash value of assets is less than $5,000. However, the family must submit recent account statements for the past three consecutive months for checking accounts and most current for savings accounts.

Third-Party Oral Verification

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

Review of Documents

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

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

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

1. Original pay stubs.

2. Computer print-outs from the employer.

3. Letter from employer(s) which include detailed employment information, provided that the information is confirmed by telephone.

4. Other documents noted in this Chapter as acceptable verification.

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

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

If third-party verification is received after documents have been accepted as provisional verification, and there is a discrepancy, the third-party verification will prevail. The PCDC will not delay the process of determining eligibility for a program participant beyond 60 days due to a third-party verification that has not been returned. The eligibility will be determined following the levels of verification hierarchy until proper verification is received.

Tenant Declaration/Certification

When verification cannot be obtained through a third-party verification or review of documents, families will be required to submit a notarized Affidavit to certify income or expenses that they have reported. However, the PCDC will use tenant provided receipts of payments of reported expenses to determine allowable program deductions.

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

B. RELEASE OF INFORMATION

Each family member, 18 years of age or older or emancipated minor, must sign Authorization for Release of Information/Privacy Act Notice (form HUD-9886) and PCDC's Authorization for Release of Information.

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

Client Screening-Criminal History Background

Pursuant to HUD Federal Regulations, 24 CFR 982.202-982.553 requires that the PCDC conduct appropriate criminal history background inquiries on applicants and participants for subsidized housing. State Law (California Penal Code Section

11105.03, et seq.) has provided that PHAs may conduct appropriate criminal history investigations to ascertain suitability for subsidized housing. To satisfy these mandates, arrests that resulted in conviction will be released to the PCDC. This information will be used to screen housing applicants and participants, allowing only eligible persons to qualify for subsidized housing. A background report with noted incidences of criminal activity may result in rescinding the issued HCV and/or application, proposed termination of rental assistance, and/or denial of request for addition to the family composition.

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

The PCDC will conduct criminal background inquiries on program participants when reports of alleged criminal activity relating to drugs and/or violent activity are received. The PCDC will work in conjunction with the City of Pasadena's Prosecutor's office in obtaining said reports.

C. COMPUTER MATCHING

The 1988 McKinney Act legislation authorized State wage record keepers to release to both HUD and local housing agencies, information pertaining to wages and unemployment compensation accessible through the EIV system.

D. ITEMS TO BE VERIFIED

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

E. VERIFICATION OF INCOME

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

Employment Income

Verification forms request the employer to specify the:

1. Dates of employment.
2. Termination of employment.
3. Current position.
4. Work location address.
5. Date of the last pay increase.
6. Current pay rate and frequency of pay.
7. Likelihood of change of employment status and effective date of any known salary increase during the next 12 months.
8. Earnings year to date.
9. Estimated income from overtime, tips, or bonus pay expected during the next 12 months.
10. Type of employment, whether it is regular, temporary or seasonal.
11. Number of weeks of the year worked and months of the year worked.

Acceptable forms of verification include:

- UIV/EIV provided by a centralized computer matching system and pay stubs for the past three consecutive months.
- Employment verification form completed by the employers, only if: tenant is unable to provide documents requested by the PCDC; tenant provided documents are not acceptable by the PCDC; or tenant disputes the EIV reported information and one or both of above conditions apply.
- Pay stubs for three consecutive months or earning statements which indicate the employee's gross earnings, frequency of pay or year to date earnings.

- W-2 forms plus income tax return forms.

- Income tax returns provided by the family may be used for verifying self-employment income, or income from tips and other gratuities. Tenant Declaration/Certification form may be used if no other readily available source for verification exists.

The PCDC will anticipate earnings for families working for the school district or any other similar jobs based on the number of actual months worked during the school year. However, the family will be instructed to report by completing an Update of Family Circumstances form, if employment is to continue during the summer months.

The PCDC shall use earnings for the past twelve months to anticipate annual earnings for families whose earnings vary but hourly rate and/or salary has not changed.

For families whose working hours vary and hourly and/or salary rate has changed, the PCDC shall anticipate annual earnings by averaging the working hours during the past 3 to 6 consecutive months by the new rate.

The PCDC may anticipate annual earnings based on the family's earnings during the past 12 months, for families working through temporary agencies. This is after the PCDC establishes the family's history of employment through temporary jobs.

Earnings from seasonal jobs will be anticipated based on earned income during the previous year.

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

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

Social Security, Pensions, Supplemental Security Income, Disability Income

Acceptable forms of verification include:

1. UIV/EIV.

2. Benefit verification form completed by agency providing the benefits.

3. Award or benefit notification letters prepared and signed by the providing agency.

4. Computer report electronically obtained or in hard copy.

Unemployment Compensation

Acceptable forms of verification include:

1. UIV/EIV and stubs of payment for the past 3 consecutive months.

2. Computer print-outs from unemployment office stating payment dates and amounts.

3. Unemployment Insurance Claim Award letter from the unemployment office.

The PCDC shall include income from unemployment compensation benefits for families who have a pattern of working seasonal jobs and receiving unemployment payments when they are not working.

Public Assistance Payments

Acceptable forms of verification include:

1. Verification form completed by the Department of Public Social Services (DPSS).

2. Written statement from DPSS indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next 12 months.

3. Computer-generated Notice of Action.

4. Third party oral verification.

In cases where the verification reveals a reduced monthly cash aid, the PCDC will contact the DPSS to verify the reason(s) for the reduced amount, to determine the anticipated countable annual income.

For families who are working and receiving cash aid, the PCDC will anticipate annual income by using the average cash grant received by the family during the past 6 consecutive months.

Alimony or Child Support Payments

Acceptable forms of verification include:

1. Third-party verification form completed by the agency enforcing the child support order and/or person paying the child support.

2. Copy of a separation or settlement agreement or a divorce decree stating amounts and types of support and payment schedules.

3. Copy of last three months of payment stubs from Court Trustee.

4. Family's completed Applicant/Tenant Certification form of amount received, the likelihood of support payments being received in the future, or that support payments are not being received.

5. If payments are irregular, the family must provide either:

    a. A copy of the separation or settlement agreement or a divorce decree stating the amount and type of support and payment schedule.

    b. A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement.

    c. A Tenant Declaration/Certification from the family indicating the amount(s) received.

    d. A copy of the Monthly Report for the past six months showing amounts received for child support.

    e. A written statement from an attorney certifying that a collection or enforcement action has been filed.

    f. Current Quarterly Reports from District Attorney's Office.

Net Income from a Business

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

Acceptable forms of verification include:

1. IRS Form 1040, including:

    a. Schedule C (Small Business)

    b. Schedule E (Rental Property Income)

    c. Schedule F (Farm Income)

2. If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense computed using straight-line depreciation rules.

3. Audited or un-audited financial statement(s) of the business.

4. Credit report or loan application.

5. Documents such as manifests, appointment books, casebooks, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.

6. Family's notarized Self-Employment Affidavit as to net income realized from the business during the previous year and the anticipated income for the following year.

7. Family must provide copy of State Board of Equalization documents and Business License, if applicable.

Child Care Business

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

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

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

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

If the child care is connected to Child Care Information Services, the PCDC will mail a third-party Vendor Verification.

The PCDC will mail a third party Vendor Verification form if the family reports a form 1099 is being generated.

Regular Gifts and Contributions

Regular gifts and contributions (monetary or not) from persons or organizations outside the family must count as income and must be reported to the PCDC within 15 days. Any contribution or gift received for two months or more frequently will be considered a regular contribution or gift. This may include rent and utility payments paid on behalf of the family and other cash or non-cash contributions provided on a regular basis. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling, qualify and must be reported. If the family's expenses exceed its known income, the PCDC will inquire of the family regarding contributions and gifts. The family must furnish a Tenant Declaration/Certification, which contains the following information:

1. The name, address, and telephone number of the person(s) who provides the gifts/contributions.

2. The value of the gifts/contributions.

3. The regularity (dates) of the gifts/contributions.

4. The purpose of the gifts/contributions.

Zero Income Status

Families claiming to have zero income may be required to complete a notarized Affidavit stating they have no income sources and complete the Family Expenses form.

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

The PCDC may request information from the IRS.

The PCDC will conduct a review every 90 days for families claiming zero income and review the Family Expenses form to determine whether an interim re-examination is necessary.

Other Income Sources

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

F. VERIFICATION OF ASSETS

Acceptable forms of verification include:

Financial Institution Accounts

1. Account statements, certificates of deposit, or PCDC verification forms completed by the financial institution.

2. Broker's statements showing value of stocks or bonds and the earnings credited the family and any fees deducted for managing the account (i.e., broker fees). Earnings can be obtained from current newspaper quotations, internet and/or oral broker's verification.

3. IRS Form 1099 from the financial institution provided that the PCDC must adjust the information to project earnings expected for the next 12 months.

Interest Income from Mortgages or Similar Arrangements

1. A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for the next 12 months. (A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown.)

2. Amortization schedule showing interest for the 12 months following the effective date of the certification or re-examination.

Net Rental Income from Property Owned by Family

1. IRS Form 1040 with Schedule E (Rental Income).

2. Copies of rent receipts for the past three months, leases, or other documentation of rent amounts.

3. Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

4. Lessee's written statement verifying rent payments to the family and family's notarized Affidavit as to net income realized.

5. Copy of grant deed and current property tax bill.

Family Assets

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

1. Verification forms, letters, or documents from a financial institution or broker.

2. Most recent checking and savings account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.

3. Quotes from a stock broker or realty agent as to net amount family would receive if they liquidated securities or real estate.

4. Real estate tax statements if the approximate current market value can be deduced from assessment.

5. Financial statements for business assets.

6. Copies of closing documents showing the selling price and the distribution of the sale proceeds.

7. Appraisals of personal property held as an investment.

8. Family's Tenant Declaration/Certification describing assets or cash held at the family's home or in safe deposit boxes.

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

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

1. For all admissions and re-examinations, the PCDC will obtain the family's notarized Affidavit as to whether any member has disposed of assets for less than FMV during the two years preceding the effective date of the admission or re-examination.

2. If the family certifies that they have disposed of assets for less than FMV, verification is required that shows:

(a) all assets disposed of for less than FMV;

(b) the date they were disposed of;

(c) the amount the family received;

(d) the market value of the assets at the time of disposition;

(e) the bill of sale; and

(f) escrow settlement statement.

G. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME

Dependent Deduction

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

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

Minor status may be verified with a birth certificate, hospital certificate, and Numident from the Social Security Administration (SSA) showing:

1. Name.
2. Sex.
3. Social Security number.
4. Date of birth.
5. Relationship to head of household.

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

1. Third-party verification form completed by the school registrar and financial aid office or other school official.

2. School records indicating that the enrolled family member is a full-time student as defined by the school or institution.

3. Current class schedule provided by the family as long as the PCDC verifies via telephone what the institution considers to be full-time.

Elderly or Disabled Family Deduction

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

1. Birth Certificate.

2. Certificate of Naturalization.

3. Passport.

4. Numident from the SSA.

5. U. S. Military Discharge Form (DD Form 214).

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

1. PCDC Certification of Disability form completed by a qualified, reliable, and knowledgeable professional.

2. Through EIV system.

3. By viewing an original SSA notice provided by the disabled family member that specifically identifies the person as disabled, if third-party written verification is not available.

Child Care Expense Deduction

1. Written verification from the person who receives the payments is required. If the child care provider is an individual, they must provide a statement of the amount they are charging the family for their services.

2. Written verifications must specify the child care provider's name, address, telephone number, license number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, method of payment, and the typical yearly amount paid, including school and vacation periods.

3. Families must provide canceled checks or receipts of payment for three consecutive months or more to verify child care expenses.

4. Families may be required to submit most recent income tax returns to verify child care expenses claimed. Child care expenses will be disallowed if the amount is not reflected on income tax returns and none of the other methods of verification are available.

The PCDC will determine reasonable child care expense deduction by taking into account the age of the child, hours the child attends school, working hours of the working family member and/or number of hours the family member attends school.

Medical Expense Deduction

Total medical expenses, exceeding the annual income threshold, claimed by the family which will not be reimbursed by an outside source and are anticipated to be incurred during the 12 months following certification or re-examination, 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 on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency. If the mailer is not returned after a second attempt is made, the PCDC will rely on tenant-provided documentation to anticipate medical expenses claimed and document why third-party verification was not available.

1. Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.

2. EIV report which reveals the monthly amount automatically deducted from the SS check for Medicare premiums.

3. Correspondence from SSA confirming the amount of Medicare premiums to be paid by the family monthly.

4. For attendant care:

    a. A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes.

    b. Attendant must complete the PCDC Care Attendant/Live-in Aide Certification form for hours of care provided and amount and frequency of payments received from the family or agency.

c. Copies of canceled checks the family used to make payments or pay stubs from the agency providing the services.

5. Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.

6. Copies of payment agreement(s) or most recent invoice(s) that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.

7. Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. The PCDC may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, non-recurring expenses from the previous year.

   The PCDC will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment. For additional allowable medical expenses, the PCDC will refer to IRS Publication No. 502 for further assistance.

Assistance to Persons with Disabilities

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

1. In All Cases:

   a. The PCDC Certification of Disability and Housing Needs form must be completed by a reliable, knowledgeable professional stating that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit them to be employed or to function sufficiently independent to enable another family member to be employed.

   b. Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

2. Attendant Care:

    a. Doctor's certification supporting the need of attendant care. Attendant's written certification of amount received from the family, frequency of receipt and hours of care provided.

    b. Certification of family and attendant and/or copies of canceled checks that the family used to make payments.

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

Auxiliary Apparatus:

    a. Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.

    b. In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

    c. Doctor certification supporting the need of auxiliary apparatus.

H. VERIFYING NON-FINANCIAL FACTORS

Verification of Legal Identity

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

The documents listed below will be considered acceptable verification of legal identity for all adults. In the event of confliction, more than one of these documents will be required.

1. Certificate of Birth.

2. Certificate of Naturalization.

3. Church issued Baptismal Certificate.

4. Valid Driver License or Identification Card from the Department of Motor Vehicles.

5. U.S. Military Discharge Form (DD Form 214).

6. U.S. Passport.

7. Numident from SSA.

8. Company/Agency Identification Card.

9. Hospital records.

10. U.S. Census Bureau records.

11. Court documents showing a change in name.

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

1. Adoption documents.

2. Custody agreement.

3. Health and Human Services Identification.

4. School records.

If none of these documents can be provided, a third party who knows the person may, at the PCDC's discretion, provide verification. A notarized Affidavit is required. In the event that conflicting information has been submitted, the family will be required to submit a Numident from the SSA.

Verification of Marital Status

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

1. Verification of divorce status will be a certified copy of the Divorce Decree signed by a Court Officer.

2. Verification of a separation may be a copy of court-ordered maintenance or other records.

3. Marriage Certificate.

Familial Relationships

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

1. Verification of relationship:
    a. Official identification showing names.
    b. Birth Certificates.
    c. Baptismal Certificates.
2. Verification of guardianship:
    a. Court-ordered assignment (adoption or foster parents).
    b. Notarized Affidavit from absent parent(s).
    c. Verification from social service agencies for foster parents.
3. Evidence of a stable family relationship:
    a. Joint bank accounts or other shared financial transactions.
    b. Leases or other evidence of prior cohabitation.
    c. Credit reports showing relationship.

Verification of Permanent Absence of Adult Member

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

1. Husband or wife institutes divorce action.
2. Husband or wife institutes legal separation.
3. Order of protection/restraining order obtained by one family member against another.
4. Proof of another home address, such as utility bills, canceled checks for rent, rent receipts, drivers' license, lease or rental agreement, if available.
5. Statements from other agencies such as social services or a written or verbal statement from the landlord or manager that the adult family member is no longer living at that location.

6. If no other proof can be provided, the PCDC will accept a notarized Affidavit from the head of household certifying the date of the move and their whereabouts.

7. Notarized statement from individual(s) who can verify residency or whereabouts of absent adult member.

8. If the adult family member is incarcerated, a document from the Court or prison should be obtained stating how long they will be incarcerated.

Verification of Change in Family Composition

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

The PCDC will re-determine the family's Housing Choice Voucher bedroom size when changes in family composition occur, in accordance with Chapter 5 of this Plan.

Verification of Disability

The following methods in conjunction with HUD prescribed guidelines will be used to verify disability status:

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

1. Letters from Social Security Administration regarding qualification for SSI payments.

2. Letters from a knowledgeable professional, such as a health or service professional.

3. Certification of Disability form completed by a reliable, knowledgeable professional, identified by the family on the HCVP application, Personal Declaration for Rental Assistance Benefits form or Request for Reasonable Accommodation form.

Verification of Reasonable Accommodation

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

Verification of Citizenship/Eligible Immigration Status

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

1. Citizens or Nationals of the United States are required to sign a declaration under penalty of perjury. The PCDC will require citizens to provide documentation of citizenship.

2. Eligible Immigrants who were participants and 62 years old or older on September 30, 1996, are required to sign a declaration of eligible immigration status and provide proof of age.

3. Non-citizens with eligible immigration status must sign a declaration of status and verification consent form, and provide their original immigration documents which are copied front and back and returned to the family. The PCDC verifies the status through the INS SAVE system. If this primary verification fails to verify status, the PCDC must request, within ten days, that the INS conduct a manual search.

4. Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.

5. Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa, but their status will not be verified and they do not sign a declaration, but are listed on the statement of ineligible members.

Eligible non-citizen program participants with expired Permanent Resident card are required to provide the PCDC with a copy of their renewed Permanent Resident Card at the time of their annual re-examination. The PCDC will verify their status through the SAVE System.

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 documents 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 for final eligibility determination. In the case of incoming portable families, the PCDC must conduct the determination if the initial PHA does not supply the documents.

Extensions of Time to Provide Documents: The PCDC will grant an extension of 30 days for families to submit evidence of eligible immigrant status.

Acceptable Documents of U.S. Citizens/Nationals:

1. U.S. Passport.
2. Birth Certificate.
3. U.S. Certificate of Naturalization.
4. Numident from SSA.

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

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

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

Verification of Social Security Numbers

Social Security numbers (SSN) must be provided as a condition of eligibility for all family members. Verification of SSN will be done through a Social Security card issued by the SSA. If a family member cannot produce a Social Security card, only the documents listed below showing their Social Security number may be used temporarily for verification. The family must apply for another Social Security card. The family is also required to certify in writing that the documents submitted in lieu of the Social Security card are complete and accurate:

1. Receipt of application for SSN.

2. Veterans Administration, EDD, DPSS, Child Support Office, etc.

Addition of new household members under the age of 6 who have not been assigned a SSN will be provided 90 days to provide documentation of the SSN. The PCDC may extent time frame for an additional 90 days if unforeseen circumstances outside the control of Head of Household prevent timely disclosure of required documentation.

Addition of a new household members at least 6 years of age or under the age of 6 and has an assigned SSN must disclose the SSN and provide documentation of the SSN to the PCDC at the time of request to add new household member or during interim re-examination.

New household members cannot be added to the family composition until the family has complied with SSN disclosure and verification requirements.

The PCDC requires families to submit SSN assigned to a newborn within 4 weeks.

Families are required to disclose a newly assigned SSN at time of receipt of new SSN.

Individuals exempt from disclosure of SSN are: individuals who do not contend to have eligible immigration status; tenants age 62+ as of 1/31/10; tenant who previously disclosed a SSN.

The PCDC will reject tenant provided documentation if: document is not an original; original document has been altered, mutilated, or not legible; or document appears to be a forged document. When there is a discrepancy with the SSN, the family will be required to provide documentation from the SSA to validate the Social Security number.

Verification of Emancipated Youth

A copy of the court ordered emancipation will be required.

Verification of College Students

The student must be of legal age or an emancipated minor under State law. The PCDC must obtain proof of age such as a valid driver license, identification card issued by a Federal, State, or local agency, identification issued by a medical insurance company, birth certificate, or other form of identification as determined by the PCDC. The student must be income eligible for admission to the HCVP. The student must provide a written certification that the student does or does not anticipate receiving financial support from the student's parent(s) or guardian(s) and the amount of support. The PCDC must verify all amounts anticipated to be received. The student must have established a household separate from their parents or legal guardians for at least one year prior to applying for the HCVP. The PCDC will verify evidence of separate households by verifying the address information that predated the student's application by a minimum of one year. The student must not be claimed as a dependent by parent(s) or legal guardian(s) on their IRS tax return. The PCDC may request a copy of the student's 1040 tax returns for the prior year. The PCDC may also review the student's parents or guardians tax return. The student must supply any information that the PCDC determines is necessary in verifying the college student's eligibility.

The PCDC may accept any of the following documents:

- Lease/rental agreement.
- Utility bills.
- Mail that predates the student's application by a minimum of one year.
- Marriage Certificate.
- U.S. Military Discharge Form (DD Form 214).

Verification of Domestic Violence

The PCDC will comply with Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA), which protects family members who are victims of domestic violence, dating violence, or stalking, from being evicted or terminated from housing assistance based on acts of such violence against them. The family may be required to complete, sign and submit Form HUD-50066, or other acceptable certification/documentation, in order to verify the family's claim of domestic violence, within 14 business days of the request. The certification must include the name of the perpetrator.

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

Local Preferences

1. Families who claim Involuntary Displacement due to:

a. Disaster or Government Action:

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

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

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

c. Domestic Violence:

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

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

   The family must certify that the abuser will not return to the household without the advance written approval of the PCDC.

   Before giving approval, the PCDC will require verification of the following:

   1. Written statement from social worker, psychologist, or other professional familiar with the abuser that he/she has received counseling/treatment and is unlikely to continue the abuse.

   2. Written statement from local law enforcement agency that no complaints have been filed since the date of the preference approval.

   3. Certification that the abuser has completed a rehabilitation program.

d. Witness Protection Program:

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

   Written recommendation from law enforcement agency or HUD.

e. Hate Crimes:

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

f. Inaccessibility of Unit:

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

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

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

g. HUD Disposition of a Project:

Written verification from HUD.

2. Living in Substandard Housing:

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

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

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

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

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

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

4. Veteran's Preference: Families who are claiming a veteran's preference must be a member of the U. S. Military Armed Forces, veterans, or surviving spouses of veterans. The PCDC will require U.S. government documents which indicate that the family qualifies under the above definition.

CHAPTER 8

ISSUANCE AND BRIEFINGS

INTRODUCTION

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

A. ISSUANCE OF HOUSING CHOICE VOUCHER (HCV) [24 CFR 982.302]

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

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

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

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

Initial Applicant Briefing

A HUD-required briefing will be conducted for families who are determined eligible for assistance. The briefings will be conducted in either individual or group meetings. All adult family members must attend the briefing. Families who attend group briefings may require individual assistance by a PCDC staff member.

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

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

Briefing Packet

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

The family is provided with the following information and materials:

1. The PCDC Statement of Policies, which provides guidance and information on the following matters:

   Rental Assistance Programs (RAP)
   RAP Regulations
   RAP Administrative Plan
   Obligations of the Family
   Term of Voucher/Extension/Suspension
   Request for Tenancy Approval
   Housing Quality Standards
   Rent Reasonableness

Repayment/Recovery of Outstanding Debt
Moves with Continued Assistance
Portability
Denial and Termination of Assistance
Informal Review and Informal Hearing
Termination of Housing Assistance Payments Contract

2. The term of the HCV, and the PCDC's policy for requesting extensions to the term of the HCV or suspensions of the HCV.

3. A description of the method used to calculate the assistance payment, information on Fair Market Rents, Payment Standards and Utility Allowances.

4. How the maximum allowable rent is determined, including the rent reasonableness standard.

5. Guidance and materials to assist the family in selecting a unit, such as proximity to employment, public transportation, schools, shopping, and the accessibility of services. Guidance will also be provided to assist the family to evaluate the prospective unit, such as the condition, whether the rent is reasonable, average utility expense, energy efficiency, and security.

6. The boundaries of the geographical area in which the family may lease a unit, including an explanation of portability.

7. The PCDC Proposed Lease and HUD Lease Addendum.

8. The Request for Tenancy Approval (RFTA) packet and a description of the procedure for requesting approval for a unit. The packet will include the following forms:

   a. Request for Tenancy Approval
   b. Renting to Relatives Disclosure Notice
   c. Inspection Checklist
   d. Proposed Lease Agreement
   e. Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards
   f. Statement of Property Ownership
   g. W-9 Request for Taxpayer Identification Number and Certification

9. The HUD brochure on how to select a unit and/or the HUD brochure "A Good Place to Live" on how to select a unit that complies with HQS.

10. The Environmental Protection Agency booklet “Protect Your Family From Lead In Your Home” and information about where blood level testing is available.

11. Information on Federal, State and local equal opportunity laws including the pamphlet "Fair Housing: It's Your Right," other information about fair housing laws and guidelines, and the telephone numbers of the local fair housing agency and the HUD enforcement office.

12. The availability of PCDC listing of owners or other parties willing to lease to assisted families and/or known units available for the HCV size issued. At the owner’s request, the PCDC will only provide their information when a unit is available for lease.

13. If the family includes a person with disabilities, the PCDC will try to provide resources for locating accessible units and a list of available accessible units known to the PCDC.

14. The Obligations of the Rental Assistance Program Participant Family.

15. The Things You Should Know.

16. The Federal Privacy Act.

17. The Notification - Watch Out For Lead-Based Paint Poisoning.

18. What You Should Know About EIV.

19. Debts Owed to the Public Housing Agencies and Terminations.

20. The grounds for denial and termination of assistance because of family action or failure to act.

21. Procedures for when and how to request an informal review and informal hearing.

22. Procedures for notifying the PCDC and/or HUD of program abuse such as side payments, extra charges, violations of tenant rights, and owner's failure to repair deficiencies in the assisted unit.

23. The family's rights as a tenant and a program participant.

24. Requirements for reporting changes between re-examinations.

25. Violence Against Women Act of 2005 Flyer.

Other Information to be Provided at the Briefing

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

The briefing presentation emphasizes:

1. Family and owner responsibilities.

2. Where a family may lease a unit inside and outside PCDC's jurisdiction.

3. How portability works for families eligible to exercise portability.

4. Advantages to moving to areas with low concentration of poor families if family is living in a high poverty census tract in the PCDC's jurisdiction.

5. Exercising choice in residency through careful and thorough consideration of available units.

6. The Family Self-Sufficiency (FSS) Program and its advantages.

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

Pre-Move/Portability Interview

A pre-move interview will be held with families who wish to move. The pre-move interview will be held prior to the family giving notice to the owner and PCDC's issuance of a HCV to the family. Similarly, a pre-portability interview will be held for outgoing portable families. The pre-move/portability interviews are conducted to inform families of the move/portability process and to minimize charges against security deposits. All families who plan to move are required to notify the PCDC, in writing, 90 days in advance of the planned move date. The PCDC will schedule a pre-move/portability interview within 30 days of receipt of the written request. Families failing to attend a scheduled pre-move/portability interview will be denied issuance of a new HCV based on failure to provide required information. See Chapter 13 of this Plan for additional information.

Owner Briefings

Owner briefings are held for new participating owners and prospective owners who may wish to participate in the program. All attendees will receive an invitation. The purpose of the briefing is to ensure successful owner participation in the program by furnishing the owner with current program information.

C. ENCOURAGING PARTICIPATION IN AREAS WITH LOW CONCENTRATION OF POVERTY

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

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

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

6. Meeting with rental referral companies or agencies.

7. Meeting with fair housing groups or agencies.

D. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION

Fair Housing Laws

The PCDC will provide the family with information on housing discrimination. The telephone number and location of the local Housing Rights Center will also be provided. To report suspected discrimination to HUD, additional information will be provided to the family upon request. If HUD's Fair Housing makes a finding of discrimination against an owner, the PCDC will restrict the owner from future participation.

E. SECURITY DEPOSIT REQUIREMENTS [24 CFR 982.313]

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

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

F. TERM OF HCV [24 CFR 982.303]

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

Initial Term

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

Expirations

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

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

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

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

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

Suspensions

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

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

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

If the RFTA was rescinded because the unit was occupied, suspension will be denied.

Extensions

A family may request an extension of the HCV time period. The family must submit a log reflecting their attempt to locate a unit during the HCV term. All requests for extensions must be received prior to the expiration date of the HCV.

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

1. The PCDC is satisfied that the family has made a reasonable effort to locate a unit throughout the initial and/or extensions of term.

2. Extenuating circumstances such as disability, hospitalization or a family emergency for an extended period of time which has affected the family's ability to find a unit within the initial and/or extension term. Family must submit documentation supporting the family circumstance, which will then be verified by the PCDC.

3. The family was prevented from finding a unit due to disability, accessibility requirements or for a larger size unit requirement of four or more bedrooms. The Search Record is part of the required verification.

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

The PCDC may grant an additional 60 days over the 180 days as a reasonable accommodation for persons with a disability provided that the family has made a reasonable effort to locate a unit throughout the initial and extension terms. This extension would be considered a final extension. See Charter 1 of this Plan for additional information on reasonable accommodation.

Assistance to HCV Holders

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

The PCDC will provide limited assistance to families in their negotiations with owners and provide other resources related to families search for housing. Family will be required to present their HCV and proper identification before a marketing list will be provided.

Transfer of HCV

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

In the event that the head of household has passed away or is permanently residing in a convalescent home, the HCV may be transferred to another family member that was originally listed on the Personal Declaration for Rental Assistance Benefits form and the family member must have been approved by the PCDC prior to the issuance of the HCV.

For the remaining member of the assisted family, please refer to Chapter 12 of this Plan for additional information.

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

G. DISCLOSURE OF TENANT INFORMATION TO OWNER [24 CFR 982.307]

The PCDC must give the owner the following information upon their request:

1. The family's current and prior address (as shown in the PCDC records); and

2. The name and address (if known to the PCDC) of the landlord at the family's current and prior address.

The PCDC will inform the families of the PCDC policy on providing information to owners. The statement will be included in the information packet that is given to a family when the family has been selected to participate in the HCVP or at the time the family is issued a HCV to move with continued assistance. The PCDC will give the same types of information to all families and to all owners.

CHAPTER 9

REQUEST FOR TENANCY APPROVAL AND CONTRACT EXECUTION

INTRODUCTION [24 CFR 982.305 (a)]

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

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

The RFTA, Inspection Checklist, a copy of the proposed lease, including the HUD prescribed Tenancy Addendum, Lead-Based Paint Disclosure Information form and the Renting to Relatives Disclosure Notice must be submitted by the family during the term of the HCV.

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

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

The RFTA will be accepted if:

1. The unit is an eligible type of housing.

2. The unit meets HUD's Housing Quality Standards (HQS), local housing codes and any additional criteria identified in this Administrative Plan.

3. The rent to owner is reasonable.

4. At the time a family initially receives tenant-based assistance for occupancy of a dwelling unit, and the gross rent of the unit exceeds the applicable payment standard for the family, the family share does not exceed 40% of the family's monthly adjusted income.

5. The security deposit amount is not in excess of private market practice or in excess of amounts charged by the owner to unassisted tenants.

6. The proposed lease complies with HUD and PCDC requirements and State and local law.

7. The owner is approvable and there are no conflicts of interest.

8. The owner has provided all requested ownership documents.

Disapproval of RFTA

If the PCDC determines that the RFTA cannot be approved for any reason, the owner and the family will be notified in writing.

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

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

B. ELIGIBLE TYPES OF HOUSING [24 CFR 982.352]

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

1. Structure Types:

    a. Single Family Detached;
    b. Row House or Townhouse;
    c. Duplex or Two-Family Dwelling; and
    d. Multi-Family (low rise 2-4, high rise 5 or more).

2. Independent Group Residences.

3. Congregate Facilities (only the shelter rent is assisted).

4. Single Room Occupancy.

5. PCDC Owned Units (HUD-prescribed requirements).

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

The PCDC will not approve:

1. A unit occupied by the owner or by any person with an interest in the unit.

2. Nursing homes or other institutions that provide care.

3. School dormitories and institutional housing.

4. Any other types of housing prohibited by HUD.

C. LEASE REVIEW [24 CFR 982.308]

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

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

The term of the lease shall not exceed one year. The PCDC may approve lease terms shorter than one year, if:

(1) The shorter lease term is the prevailing local practice; and

(2) The PCDC's approval of a shorter lease term will improve housing opportunities for families.

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

Separate Agreements

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

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

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

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

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

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

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

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

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

E. RENT LIMITATIONS [24 CFR 982.503]

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

Area exception rents will be utilized to:

1. Expand housing opportunities for families to move from poverty-impacted areas.

2. Make accessible units available to persons with disabilities.

3. Increase the housing choices available to low-income families.

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

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

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

The PCDC will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

The PCDC will inform owners that it is the responsibility of the owner to determine the suitability of prospective tenants. Owners will be encouraged to screen families for rent payment history, eviction history, damage to units and other factors related to the family's suitability as a tenant.

The PCDC will not provide documented information regarding tenancy history to the prospective landlords.

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

G. PCDC DISAPPROVAL OF OWNER [24 CFR 982.306]

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

The PCDC may disapprove the owner for the following reasons:

1. 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. HUD or other agencies directly related have informed the PCDC that the owner has been disbarred, suspended or subject to a limited denial of participation under 24 CFR part 24.

2. HUD has informed the PCDC that the Federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other Federal equal opportunity requirements and such action is pending.

3. HUD has informed the PCDC that a court or administrative agency has determined that the owner violated the Fair Housing Act or other Federal equal opportunity requirements.

4. The owner has violated obligations under a HAP Contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).

5. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program.

6. The owner has engaged in drug-related criminal activity or any violent criminal activity.

7. The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs or with applicable housing standards for units leased with project-based rental assistance or leased under any other Federal housing program.

8. The owner has a history or practice of renting units that fail to meet State or local housing codes.

9. The owner has not paid State or local real estate taxes, fines or assessments.

10. The owner has not submitted the required property ownership information to the PCDC.

11. The owner has a history of refusing to evict families who disturb the peaceful enjoyment of the property, engage in drug-related criminal activity, or threaten the health or safety of other residents, managers, PCDC employees or the owner.

12. The PCDC will not approve a unit if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, or related by marriage, unless the PCDC determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities.

13. The owner has engaged in or threatened abusive or violent behavior towards PCDC personnel.

14. The PCDC will not approve if the property is in foreclosure status.

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

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

If the TTP equals or exceeds the gross rent, or if the family income is now found to exceed the income limits of the program, the PCDC will not enter into a HAP Contract and the RFTA will be rescinded.

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

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

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

The HAP Contract may not be executed more than 60 days after commencement of the lease term and no payments will be made until the contract is executed.

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

1. Housing Director
2. Senior Project Manager
3. Housing Assistance Officer
4. Housing Specialist

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

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

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

Request for Tenancy Approval (RFTA)
Renting to Relatives Disclosure Notice
PCDC Joint Inspection Checklist
Proposed Lease Agreement
Disclosure of Information on Lead-Base Paint

Statement of Property Ownership:
- Part A - Declaration of Property Ownership
- Part B - Housing Assistance Payment Information
- Part C - Notarized Agent Authorization
- Part D - Section 8 Landlord Certification

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

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

J. CHANGE IN PROPERTY OWNERSHIP

A change in property ownership requires execution of an Assumption of Obligations and Benefits Contract. The PCDC will provide the owner with copies of the existing HAP Contract and lease agreement.

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

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

CHAPTER 10

HOUSING QUALITY STANDARDS AND INSPECTIONS [CFR 982.401, 982.404, 982.405]

INTRODUCTION

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

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

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

All units must meet:

Basic Housing Quality Standards (HQS)

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

1. Adequate space and security are required. The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Exterior doors and windows must have working locks. Interior doors and windows cannot require a key to exit the unit and/or have double keyed dead bolt locks.

2. Sanitary requirements specify a private indoor toilet, hot and cold running water for the bathtub or shower and the fixed basin. Either a window that opens or other adequate exhaust ventilation is required for the bathroom.

3. Kitchens must have a sink with hot and cold running water, adequate space for food storage, preparation and serving, and disposal facilities for garbage. The stove and refrigerator must be fully operational and may be provided by owner or family.

4. The dwelling unit must not contain un-vented room heaters that burn gas, oil or kerosene. The PCDC does not allow the use of electric heaters.

5. The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets. There must be at least one window in the living room and each sleeping room.

6. The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating condition.

7. The unit must be structurally sound with no severe defects. The entrance to the unit must not present a danger of tripping, and elevators must be in safe operating condition.

8. The interior must be free of all dangerous pollutants, such as carbon monoxide, sewer gas, fuel gas and dust.

9. There must be an approved safe water supply.

10. The owner must inform the family if the building was constructed prior to 1978. This will alert the family to the possibility of exposure to the hazards of lead-based paint poisoning.

11. Access to the unit must not be through any other private properties. In addition, the building must provide an alternate means of exit in case of fire. This includes provision of security bars with release mechanisms when installed in bedrooms without an exterior door.

12. The site and neighborhood must not be subject to serious adverse environmental conditions (i.e., flood, fire, disturbing noise, vermin or rodent infestation, sewage hazards and excess accumulation of trash).

13. The unit must be free of vermin and rodent infestation. Screens for windows must be provided to prevent entry of insects.

14. An operable working smoke detector must be installed in each bedroom/sleeping room.

15. The hot water heater must have a pressure relief valve with a drainpipe pointing downward and ending about six inches above the floor. Hot water heater must be securely strapped. It must also be located, equipped and installed in a safe manner.

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

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

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

There are five types of inspections the PCDC will perform:

1. Initial/Move-In: Conducted upon receipt of an approved RFTA.

    a. Ownership documents submitted and approved.

    b. Contract rent pre-negotiated.

2. Annual: Conducted within 12 months of the last annual inspection date.

3. Special/Emergency: Conducted upon request of owner, family, an agency or third party, and PCDC staff. PCDC staff may periodically require special inspections to ensure family's compliance with the HCVP Family Obligations. Emergency inspections that endanger the health and safety of the family will take precedence over all other inspections.

4. Move-Out/Vacate: Conducted upon owner or family's request within 24 hours after the family has vacated the property.

5. Quality Control: Conducted for at least five percent of all units which have been inspected during the PCDC's previous fiscal year.

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

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

C. INSPECTIONS

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

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

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

2. Not providing or failing to maintain appliances not provided by the owner.

3. Damages to the unit or premises caused by the family or guest beyond normal wear and tear.

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

Generally all inspections will be conducted in the following manner:

The PCDC will conduct inspections Monday through Friday, between the hours of 7:30 a.m. to 5:00 p.m.

The PCDC will notify the family in writing at least 5 days prior to the inspection.

The family will be mailed a notice of the scheduled date of the inspection with a copy to the owner. If the family fails to honor the scheduled inspection appointment, a final inspection appointment notice will be mailed to the family and the owner. If the family fails to honor the final inspection appointment, a termination of HAP letter will be mailed to the owner and a copy to the tenant. Failure to keep scheduled appointments is a violation of the Obligations of the Family and grounds for termination of rental assistance (see Chapter 15 of this Plan).

The family will be required to contact the PCDC prior to the inspection, if they are unable to keep the scheduled inspection appointment due to medical emergencies and unforeseen circumstances (i.e., death in the family, etc.).

If the head of household cannot be present for the scheduled inspection, family must make arrangements to have an adult (18 years of age or older) present to allow the inspection to be conducted.

Time Standards for Repairs

1. Emergency items which endanger the family's health or safety must be corrected within 24 hours of notification.

2. For non-emergency items, repairs must be made within 30 days.

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

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

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

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

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

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

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

If the emergency repair items are not corrected in the time period required by the PCDC and are a HQS breach which is a family obligation, the PCDC will stop housing assistance payments to the owner and propose termination of the rental assistance to the family.

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

When it has been determined that a unit on the program fails to meet HQS, and the owner is responsible for completing the necessary repairs in the time period specified by the PCDC, the housing assistance payment to the owner will be abated. However, if the repairs are not made within the time period specified the housing assistance payment to the owner will be terminated.

Abatement

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

The PCDC will inspect abated units within 24 hours, or the next working day, after the owner's or family's notification that the repairs have been completed. The re-inspection must take place within the 30-day abatement period.

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

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

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

Extensions In Lieu of Abatement

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

1. The owner has a good history of HQS compliance.

2. The failed items are minor in nature.

3. There is an unavoidable delay in completing repairs due to difficulties in obtaining parts or contracting for services.

4. The owner makes a good faith effort to make the repairs.

5. The repairs are extensive (such as exterior painting or roof repair) and the owner needs time to obtain the funds.

6. The repairs must be delayed due to climate conditions.

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

Termination of HAP Contract

If the owner is responsible for repairs and fails to correct all the deficiencies cited prior to the end of the abatement period, the HAP Contract will terminate 30 days from the abatement date. If repairs are completed before the effective termination date, the termination may be rescinded by the PCDC if the family remains in the unit.

If the repairs are completed within 15 days after the termination date, the PCDC will conduct one final HQS inspection. Housing assistance payments to the owner will resume effective the date the unit passed inspection. However, if the repairs are not completed within the 15-day period, the owner and family will be required to enter into a new lease and HAP Contract.

F. DETERMINATION OF RESPONSIBILITY [24 CFR 982.404]

Certain deficiencies are considered the responsibility of the family:

1. Family-paid utilities not in service.

2. Failure to provide or maintain family-supplied appliances.

3. Damages to the unit or premises caused by the family member or guest beyond normal wear and tear that results in a breach of HQS.

4. Poor housekeeping and/or excessive clutter.

The owner is responsible for all other HQS violations.

Extermination services shall be provided by the owner as conditions may require. However, if such infestation is serious and repeated due to the family's living habits, it may be considered a lease violation and the owner may evict for serious or repeated violations of the lease. The PCDC may terminate the family's assistance on that basis.

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

G. CONSEQUENCES IF FAMILY IS RESPONSIBLE

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

H. INITIAL HQS INSPECTION

The initial HQS inspection will be conducted to:

1. Determine if the unit and property meet HQS defined by HUD and this Plan.

2. Document the current condition of the unit as a basis to evaluate whether the future condition of the unit exceeds normal wear and tear.

3. Document the information to be used for determination of rent reasonableness.

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

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

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

The owner will be allowed two re-inspections for repairs to be completed. However, if the time period given by the inspector to correct the repairs has elapsed, or the maximum number of failed re-inspections has occurred, the RFTA will be rescinded.

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

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

The family will be mailed a notice of the scheduled date of the inspection with a copy to the owner. If the family fails to honor the scheduled inspection appointment, a final inspection appointment notice will be mailed to the family and the owner. If the family fails to honor the final inspection appointment, a termination of HAP letter will be mailed to the owner and a copy to the tenant. Failure to keep scheduled appointments is a violation of the Obligations of the Family and grounds for termination of rental assistance (see Chapter 15 of this Plan).

The family will be required to contact the PCDC prior to the inspection, if they are unable to keep the scheduled inspection appointment due to medical emergencies and unforeseen circumstances (i.e., death in the family, etc.).

If the head of household cannot be present for the scheduled inspection, family must make arrangements to have an adult (18 years of age or older) present to allow the inspection to be conducted.

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

Rent Increases

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

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

The PCDC will not approve contract rent increases to the owner if the PCDC has insufficient program funding. Owners will be informed at the beginning of the families annual process that contract rent increases have been suspended for the next annual lease term until further notice.

J. SPECIAL INSPECTIONS

Prior to the PCDC conducting a special inspection, the family/owner must notify the property owner/family of the deficiencies and allow reasonable time to correct the deficiencies. If the deficiencies are not correct, the PCDC will conduct a special inspection.

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

The PCDC will inspect only the items which were reported, however if the inspector notices additional deficiencies that would cause the unit to fail HQS, the responsible party will be notified of their obligation to correct the deficiencies.

Nuisance Abatement

The PCDC will work in collaboration with the City Prosecutor's Office, the Police Department, Community Action Program and Code Enforcement to address nuisance activity throughout the City of Pasadena.

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

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

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

In instances of written reports of nuisance activity, the Inspection Section will conduct a special inspection. This inspection will be done in accordance with this Plan.

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

K. QUALITY CONTROL INSPECTIONS

Quality control inspections will be performed by the Housing Assistance Officer and/or Housing Specialist on five percent of the units inspected within the last 90 days for each fiscal year. The purpose of quality control inspections is to ascertain that each inspector is conducting accurate and complete inspections, and to ensure that there is consistency among inspectors in the application of HQS.

CHAPTER 11

OWNER RENTS, RENT REASONABLENESS, AND PAYMENT STANDARDS [24 CFR 982.503, 982.504, 982.505, 982.507, 908.508]

INTRODUCTION

The Pasadena Community Development Commission (PCDC) is responsible to ensure rents charged by owners are reasonable based upon objective comparables in the rental market. When the PCDC has determined the unit meets minimum Housing Quality Standards (HQS), the lease is approvable, the rent is reasonable, and the Housing Assistance Payment (HAP) Contract has been executed, the PCDC will begin payments to the owner. This Chapter explains the PCDC's procedures for determination of rent reasonableness, payments to owners, adjustments to the payment standards and rent adjustments.

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

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

The PCDC voucher payment standard schedule shall establish a single payment standard amount for each unit size. For each unit size, the PCDC may establish a single payment standard amount for the whole FMR area, or may establish a separate payment standard amount for each designated parts of its jurisdiction.

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

B. ADJUSTMENTS TO PAYMENT STANDARDS [24 CFR 982.503]

Payment standards may be adjusted to increase housing assistance payments in order to keep family rents affordable. The PCDC will not raise the payment standards so high that the number of families that can be assisted under available funding is substantially reduced. The PCDC will not raise payment standards if the need is solely to make "high end" units available to voucher holders.

The PCDC will review the payment standard annually to determine whether an adjustment should be made for some or all unit sizes. The payment standard will be reviewed according to HUD requirements. The PCDC may set the payment standard between 90% and 110% of FMR. Additionally, upon the PCDC's request, HUD may approve a payment standard lower than 90% or higher than 110%.

The PCDC may use some or all of the following measures listed below in making its determination whether an adjustment should be made to the payment standards:

1. Assisted Families' Rent Burdens

   The PCDC will review reports showing the percent of income used for rent by HCVP families to determine the extent to which the rent burden is more than 40% of income.

2. Reasonable Accommodation

   If the family includes a person with disabilities and requires a higher payment standard for the family, as a reasonable accommodation for such person, the PCDC may establish a higher payment standard for the family within the PCDC established range (see Chapter 7 of this Plan).

3. Quality of Units Selected

   The PCDC will review the quality of units selected by families before determining any change to the payment standard to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

4. Rent to Owner Increases

   The PCDC may review a sample of units to determine how often owners are increasing rents after the first year of the lease and the average percent of increase by bedroom size. The sample will be divided into units with and without the highest cost utility included.

   A comparison will then be made to the applicable annual adjustment factor to determine whether the owner increases are excessive in relation to the published annual adjustment factor.

5. Rent Reasonableness Database/Average Contract Rents

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

6. Lowering of the Payment Standard

   If statistical analysis reveals that the payment standard should be lowered, the PCDC will lower the payment standards no less than 90% of the current FMR.

   However, the PCDC must obtain HUD approval if the PCDC wishes to lower the payment standards less than 90% of the current FMR.

The PCDC may submit a waiver request to HUD for its review and approval to lower the payment standards below 90% of the current FMR if less than 40 percent of participants in the PCDC's voucher program are paying less than 30 percent of adjusted monthly income for rent.

If the payment standards are lowered, the PCDC will apply the reduced payment standard at the second annual re-examination following the reduced payments standards.

7. Financial Feasibility

Before increasing the payment standard, the PCDC may review the budget and project reserves to determine the impact projected subsidy increases would have on funding available for the program and number of families served.

For this purpose, the PCDC will compare the number of families who could be served under a higher payment standard with the number assisted under current payment standards.

File Documentation

A file will be retained by the PCDC for at least three years to document the analysis and findings to justify whether or not the payment standard was changed.

C. CALCULATION OF HOUSING ASSISTANCE PAYMENTS [24 CFR 982.505, 982.508]

The maximum subsidy for each family is determined by the payment standard for the voucher size issued to the family, less 30% of the family's monthly adjusted income.

(a) Use of payment standard. A payment standard is used to calculate the monthly housing assistance payment for a family. The payment standard is the maximum monthly subsidy payment.

(b) Amount of monthly housing assistance payment. The PCDC shall pay a monthly housing assistance payment on behalf of the family that is equal to the lower of:

(1) The payment standard for the family minus the total tenant payment; or
(2) The gross rent minus the total tenant payment.

(c) Payment standard for family.

(1) The payment standard for the family is lower of:

(i) The payment standard amount for the family unit size; or
(ii) The payment standard amount for the size of the dwelling unit rented by the family.

(2) If the PCDC has established a separate payment standard amount for a designated part of an FMR area in accordance with 24 CFR 982.503 (including an exception payment standard amount) and the dwelling unit is located in such designated part, the PCDC must use the appropriate payment standard amount for such designated part to calculate the payment standard for the family.

(3) Decrease in payment standard amount during the HAP Contract term. If the amount on the payment standard schedule is decreased during the term of the HAP Contract, the lower payment standard amount generally must be used to calculate the monthly housing assistance payment for the family, beginning at the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard amount.

(4) Change in the family unit size during the HAP Contract term. Irrespective of any increase or decrease in the payment standard amount, if the family unit size increases or decreases during the HAP Contract term, the new family unit size must be used to determine the payment standard amount for the family, beginning at the family's first regular reexamination following the change in the family unit size.

Maximum Family Share at Initial Occupancy

At the time the family initially receives tenant-based assistance for occupancy of a dwelling unit, whether it is a new admission or a move to a different unit, the family share may not exceed 40% of the family's monthly adjusted income. During the initial 12-month term of the lease, the owner may not raise the rent.

D. PAYMENTS TO OWNERS [24 CFR 982.451]

Once the HAP Contract is executed, the PCDC begins processing payments to the owner. A HAP Register will be used as a basis for monitoring the accuracy and timeliness of payments. HAP are generally disbursed directly from the City of Pasadena's Finance Department to the owner the 1st and middle of each month. In cases of demonstrated hardship, an exception may be made with the approval of the Housing and Community Development Director and/or the Housing Assistance Officer.

The PCDC will notify the City of Pasadena Finance Department, in writing, to place stop payment on checks that were not received by the owner/payee. After the Finance Department has verified that the check has not been cleared, a replacement check will then be mailed to the owner/payee.

When subsidies are paid late, owners may assess late fees against the PCDC where local practice provides for late fees. The PCDC is not obligated to pay any late payment penalty if HUD determines that late payment by the PCDC is due to factors beyond the PCDC's control.

E. RENT REASONABLENESS DETERMINATIONS [24 CFR 982.507]

Rent reasonableness determinations are made when:

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

The PCDC will determine and document on a case-by-case basis that the approved rent:

1. Does not exceed rents currently charged on new leases by the same owner for an equivalent assisted or unassisted unit in the same building or complex; and

2. Is reasonable in relation to rents currently charged by other owners for comparable units in the unassisted market.

At least two comparable units will be used for each rent determination, one of which must be from the first category above if possible. All comparables must be based on the rent that the unit would command if leased in the current market. Leased in the current market means that the unit has been leased within the last 30 days.

The data for other unassisted units will be gathered from newspapers, realtors, professional associations, and inquiries of owners, market surveys and other available sources.

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

The following factors will be used for rent reasonableness documentation:

1. Location
2. Number of Bedrooms
3. Housing Condition/Quality
4. Amenities
5. Date Built
6. Unit Type
7. Housing Services

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

CHAPTER 12

RE-EXAMINATIONS

INTRODUCTION

HUD requires the PCDC to re-examine the income and composition of all families at least annually In addition, the PCDC is required to inspect the assisted unit, process requests for rent adjustments and review the utility allowance schedule. These activities must be coordinated to ensure that they are completed in accordance with the regulations. It is a HUD requirement that families report all changes in family composition, but the PCDC decides what other changes must be reported and the procedures for reporting them. This Chapter defines the PCDC's policy for conducting annual re-examinations and coordinating the four annual activities. It also explains the interim reporting requirements for families and the standards for timely reporting.

A. ANNUAL ACTIVITIES [24 CFR 982.401, 982.516, 982.517, 982.519]

The PCDC generates a monthly computerized list of units under contract 120 days before the re-examinations are to take effect. This procedure allows the PCDC ample time to obtain all required verifications, review contract rent adjustments, conduct annual HQS inspections, and provide reasonable advance notice to both the family and the owner of any changes in the tenant rent and housing assistance payment.

Annual activities for contracts that did not commence on the first of the month must be conducted no later than the first of the month in which the lease was effective.

The PCDC conducts annual re-examinations of family income and composition.

Utility Allowance Schedule: See Chapter 6 of this Plan, “Factors Related to Total Tenant Payment Determination.”

Annual Inspections: See Chapter 10 of this Plan, “Housing Quality Standards and Inspections.”

Rent Adjustments: See Chapter 11 of this Plan, “Owner Rents, Rent Reasonableness and Payment Standards.”

An EIV report will be reviewed and printed as part of the annual re-examination process.

B. ANNUAL RE-EXAMINATION [24 CFR 5.609, 982.516]

The PCDC must conduct a re-examination of family income and family composition at least annually. The annual re-examination determines the continued eligibility of the family and establishes the housing assistance payment to be made on behalf of the family. Families are required to report all household income and family composition timely and accurately as set forth in the PCDC's Family Obligations. Families will report this information by completing a Personal Declaration for Rental Assistance Benefits form and providing supporting documents to verify income, assets, allowances, and family composition.

The PCDC must obtain and document in the family's case file third-party verifications of the following factors:

(i) Reported family annual income;
(ii) Value of assets;
(iii) Expenses related to deductions from annual income; and
(iv) Other factors that affect the determination of adjusted income.

If third-party verifications are not contained in the family's case file, the PCDC must document why it was not available.

Annual re-examinations should be implemented as of the scheduled effective date even if other annual activities are not complete.

Families who intend to move may be issued a HCV, if eligible for continued rental assistance. See Chapter 13 of this Plan for the eligibility criteria to move.

When families move to another dwelling unit**,** an annual re-examination will be conducted and the anniversary date may change.

Income limits are not used as a test for continued eligibility at re-examination.

The PCDC will verify with the City of Pasadena's Finance Department whether families under a Repayment Agreement are current with their monthly payment. If the family is delinquent with the Repayment Agreement, the family may be proposed for termination of rental assistance.

Re-examination Notice to the Family

The PCDC will notify the family by mail of the upcoming annual re-examination at least 120 days in advance of the anniversary date. The notification will include date and time of the appointment, location of the appointment, family members required to attend and the information to submit prior to the scheduled appointment. Families who are not selected for an office appointment will be notified of the information they need to submit and the deadline for submittal**.** The notice to the family also instructs the family to call the PCDC to request another appointment, within 48 hours prior to the appointment, if there is a scheduling conflict. The PCDC will also mail the notice to a third party if requested as reasonable accommodation for a person with disabilities; however, a written request must be submitted to the PCDC by the head of household. The request must include the name, address and telephone number of the person appointed to receive the notification. This accommodation will be granted upon verification that they meet the need presented by the disability.

Persons with disabilities who are unable to attend their office appointment will be granted an accommodation of conducting the interview either at the person's home or by telephone.

The PCDC will schedule an office appointment with family members who recently turned 18 years of age to explain their responsibility under the program, obtain signatures on the Family Obligations, Authorization for the Release of Information/Privacy Act Notice (Form HUD-9886), Debts Owed to Public Housing Agencies and Terminations (Form HUD-52675) and PCDC Authorization for Release of Information forms, inquire about income circumstances, and obtain copies of their California Identification or Driver License.

Collection of Information

The PCDC will mail a Personal Declaration for Rental Assistance Benefits form, Authorization for the Release of Information/Privacy Act Notice (Form HUD-9886), PCDC Authorization for Release of Information, and Family Obligations with the annual re-examination notice to the family. The head of household will be required to complete and sign a Personal Declaration for Rental Assistance Benefits form, and have all family members 18 years and older sign Form HUD-9886, Form HUD-52675, What You Should Know About EIV, the PCDC's Authorization for Release of Information, and Family Obligations. The completed forms and the information supporting the family's circumstances must be submitted to the PCDC by a given deadline as a condition for continued assistance.

Household members claiming zero income, who have recently turned 18 years of age and are attending high school at the time of the annual re-examination, will be required to complete a Tenant Declaration/Certification. However, at the next re-examination, a notarized Affidavit will be required if they are still claiming zero income.

Requirements to Attend

All adult household members will be required to attend the re-examination interview. If the head of household is unable to attend the interview, the appointment will be conducted with the other adult family member(s) and an individual appointment will be rescheduled with the head of household.

The PCDC will schedule an appointment for families whose EIV Report reveals a discrepancy.

Failure to Respond to Notification for Re-examination

If the family fails to attend the scheduled appointment, call to reschedule, or make prior arrangements, the PCDC will schedule a second and final interview appointment. The notice informs the family that failure to keep a second appointment or to call to re-schedule is a violation of the Family Obligations and grounds for proposed termination of rental assistance.

If the family fails to keep the final appointment, and does not reschedule or make prior arrangements, the PCDC will propose the termination of rental assistance to the family. The family will be given proper notice of the proposed termination via “certified and regular mail,” and informed of their right to request an informal hearing and the deadline to submit the written request. The PCDC will also notify the owner, in writing, of the proposed termination of the HAP Contract.

Exceptions to these policies may be made by the PCDC if the family is able to document an emergency situation that prevented them from canceling, re-scheduling, or attending the appointment.

Documents Required from the Family

In the notification letter to the family, the PCDC will include instructions for the family to submit the following information by a given deadline:

1. Current documentation of income sources for all family members.

2. Current documentation of disposed assets, the cash value of assets, and income derived from assets.

3. Current documentation of any deductions/allowances.

4. Completed Personal Declaration for Rental Assistance Benefits form.

5. Completed, signed, and dated Form HUD-9886, Form HUD-52675, "What You Should Know About EIV," and PCDC Authorization for Release of Information.
6. Notarized Affidavit from adult family members reporting zero income.

7. Completed notarized Affidavit form from adult family members no longer receiving Temporary Aid for Needy Families (TANF) due to the expiration of a lifetime or other time limit on welfare benefits and who are reporting zero income from other sources for themselves.

8. Signed Family Obligations by all adult family members.

9. Birth Certificate and Social Security card for new additions to the family due to birth and approved family members by the PCDC.

10. Copy of California Identification or Drivers License for family members who turned 18 years old.

11. Completed, signed, and dated 214 Certification form for new additions to the family.

12. Copy of Permanent Resident card for family members whose legal status has been adjusted.

13. Copy of renewed Permanent Resident card.

14. Documentation supporting continued disability status for families whose disability payments have been terminated by the Social Security Administration.

15. Completed Live-in Aide Certification form, if applicable.

16. Copy of Marriage Certificate or Divorce Decree, if marital status has changed.

17. Other documentation as may be determined necessary by the PCDC.

Verification of Information

The PCDC will follow the verification procedures and guidelines described in Chapter 7 of this Plan. Verifications obtained at re-examination must be dated within 120 days from the date received.

The PCDC will obtain third-party verifications of the family's income, assets, allowances and any other factors that affect the determination of adjusted income, tenant rent, and housing assistance payment. The PCDC will follow the five levels of hierarchy of verification methods established by HUD. PCDC staff will properly document the family's case file where third-party verifications are unavailable.

Moves with Continued Assistance

Families who express interest in moving with continued assistance, within or outside of the PCDC's jurisdiction, will be required to comply with the procedure established in Chapter 13 of this Plan.

Tenant Rent Increases

If the tenant rent increases, a 30-day notice will be mailed to the family prior to the anniversary date. Once the family has received the notification of the tenant rent increase, this amount may change as a result of additional information that may not have been available at the time of notification (i.e., third-party verifications). If less than 30 days are remaining before the anniversary date, the tenant rent increase will be effective on the first of the month following the 30-day notice. If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the re-examination process, there may be a retroactive increase in rent to the anniversary date. The following are examples where the family waives the right to a proper 30-day notice of tenant rent increase:

- Delay in returning the completed annual re-examination program forms and documentation supporting family circumstances by established deadlines.

- Violation of Family Obligations due to unreported and/or untimely reporting of changes in family circumstances.

- The PCDC verifies that the family failed to disclose true, complete, and accurate information of family circumstances.

- Failure to keep two scheduled appointments.

The family will be required to reimburse the PCDC any rental assistance which was overpaid to the owner due to the delay caused by the family. The overpaid rental assistance may be paid in full or by entering into a Repayment Agreement with the PCDC (see Chapter 17 of this Plan for Owner or Family Debts to the PCDC).

Families may be required to move if the re-examination reveals that the tenant rent is higher than their monthly reported income. The PCDC will follow the procedures established in Chapter 13 of this Plan, "Moves with Continued Assistance."

Contract Rent Increase

If the owner requests an increase in the contract rent after the annual re-examination has been approved, the PCDC may use the supporting information from the latest approved action, so long as the effective date of the increase is within 60 days.

Tenant Rent Decreases

If the annual re-examination reveals that a decrease in family's income occurred prior to the PCDC's notification of the family's annual re-examination, the decrease in tenant rent may become effective at the family's anniversary date. The following are examples where the family waives their right to an interim re-examination prior to their annual re-examination:

1. If in the process of reviewing the case the PCDC determines that a serious violation of the program rules and regulations occurred. The PCDC may propose the termination of rental assistance for the family in accordance with Chapter 15 of this Plan.

2. If a preliminary review of the family's case reveals that the change in tenant rent will result in a decrease of $25.00 or less.

Families Ineligible for Current HCV Size

Families whose HCV bedroom size has been downsized due to a change in family composition will be informed of the estimated tenant rent based on the new HCV bedroom size. The family will also be informed of the option to remain in the assisted unit paying a higher tenant rent or move with continued assistance. However, if the tenant rent exceeds their monthly income then they may be required to move.

Families Ineligible for Continued Rental Assistance (24 CFR 982.455)

Families found ineligible for continued rental assistance due to a re-examination resulting in zero housing assistance payments will be informed, in writing, that their rental assistance will automatically terminate 180 calendar days after the last housing assistance payment to the owner. The family will be informed of their responsibility to report changes in family circumstances by completing an Update of Family Circumstances form and submit supporting information regarding the change, within 15 days of the change, during the 180-day period. The HAP Contract may be reinstated if the family reports income changes or contract rent increases within this time frame.

Re-determination of Housing Choice Voucher (HCV) Bedroom Sizes

Effective January 1, 2011, the PCDC will review all cases at the annual re-examination to re-determine and apply the HCV bedroom size in accordance with the PCDC's Housing Subsidy Standards, which are as follows:

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

PCDC will also re-determine reasonable accommodations that are currently in place. Families affected by the change in HCV bedroom size will be informed of their new tenant rent based on their new HCV bedroom size. The family will be informed of the option to remain in the assisted unit paying a higher rent or move with continued assistance. If the tenant rent exceeds the monthly income, they family will be required to move.

Additionally, the family will be required to sign an updated HCV.

Changes in the Lease and Rent

The PCDC must approve a new lease and execute a new HAP contract in the following cases:

- There are changes in tenant or owner supplied utilities or appliances.
- There are changes governing the term of the lease.
- The family moves to a new unit (even if the unit is in the same building or complex).

The term of the HAP contract begins on the first day of the lease term and ends of the last day of the lease term.

C. REPORTING INTERIM CHANGES [24 CFR 982.516, 982.553]

HUD requires families to report all changes in household composition to the PCDC between annual re-examinations. This includes additions due to birth, adoption and court-awarded custody of a non-criminal nature. The family must obtain PCDC approval prior to all other additions to the household.

HUD requires PHAs to process interim re-examinations when a family reports a reduction in income, and prohibits processing an interim re-examination when the family reports a loss of welfare benefits due to fraud or failure to participate in self-sufficiency or work activity.

The PCDC requires families to report changes in family composition, income, assets and allowances within 15 days of the change and submit supporting information on the changes that are being reported. To comply with this obligation, the family must report the change in family circumstances by completing an Update of Family Circumstances form. The update form is available at the PCDC office.

The U.S. citizenship/eligible immigration status of additional family members must be declared and verified.

When a family wishes to add additional members to the household, the PCDC will follow the procedure outlined below, for members who are 18 years or older, to determine whether or not to approve the new member as part of the family:

1. Conduct an interview with the proposed new family member.

2. Explain Form HUD-9886, Form HUD-52675, "What You Should Know About EIV," PCDC Authorization for Release of Information, "Things You Should Know," "Family Obligations," and obtain date and signature on all documents.

3. Collect vital statistics information.

4. Collect income and asset information.

5. Collect allowance information, if applicable.

6. Complete the Client Screening - Criminal History Background form.

7. Complete the 214 Certification form.

The family will be notified, in writing, of the PCDC's decision of their request to add the additional family members to the household upon receipt of all supporting information. If the additional family members are approved by the PCDC, the family will be informed that written approval from the owner is necessary prior to allowing the additional members to move into the assisted unit.

The PCDC will follow the procedures established in Chapter 7 of this Plan in cases where the family requires a live-in aide as a reasonable accommodation.

Individuals subject to a lifetime registration requirement under a State sex offender registration program, or individuals convicted due to the manufacture or production of methamphetamine on the premises of Federally assisted housing, will be denied admission to the program.

The head of household will be informed that the assisted unit address cannot be used as a "mailing" address by persons who are not part of the household.

Increases in Income

The PCDC may conduct interim re-examinations when families have an increase in income. Families will be required to report all increases in income/assets of all household members to the PCDC, by completing an Update of Family Circumstances form and submit supporting information regarding the change, within 15 days of the increase.

Families who report increases in household income of more than $200 per month will be scheduled for an interim re-examination, no later than 90 days from the date the increase is reported to the PCDC. The family's case file will be documented in cases where no interim re-examination is necessary because the increase in monthly income is less than $200. However, this rule does not apply to families who previously reported zero income.

The PCDC will not process an interim re-examination for families reporting an increase in annual income from Social Security and Supplemental Security Income payments if the increase is due to the Cost of Living Adjustment (COLA). However, the PCDC will document the family's case.

Decreases in Income

The PCDC may process an interim re-examination for families reporting a decrease in income and any other changes such as an increase in allowances which would reduce the amount of the tenant rent. The PCDC will process an interim re-examination for the families if preliminary review of the case reveals that the decrease in income would result in a decrease in tenant rent.

The PCDC will only verify the change in family circumstances reported by the family, in accordance with Chapter 7 of this Plan, when processing an interim re-examination.

Tenant Rent Decreases

If the annual re-examination reveals that a decrease in the family's income occurred prior to the PCDC's notification of the family's annual re-examination, the decrease in tenant rent may become effective at the family's anniversary date. If the family does not waive their right to an interim re-examination prior to their annual re-examination by definition, the effective date of an interim re-examination will be the first of the following month after the family reports a decrease. However, if the family causes a delay by not submitting requested or required information, the effective date of the decrease will be on the first day of the month after the family submits the information.

Tenant Rent Increases

The family will be given proper notice of the increase in the tenant rent upon receipt of all supporting information.

Administrative Corrections

If the PCDC makes a calculation error at admission to the program or at an annual re-examination, an interim re-examination will be conducted to correct the error. If there is an increase in the tenant's rent, the family will not be charged retroactively. However, if the family has overpaid, an adjustment will be made retroactive to the date when the error occurred.

Other Interim Reporting Issues

An interim re-examination does not affect the date of the annual re-examination. An interim re-examination will be scheduled for families with zero or unstable income every 90 days. In addition, the PCDC will automatically review an EIV report and mail third-party verifications to the Department of Public Social Services, Employment Development Department, and In-Home Supportive Services for families who report zero income as a means of verifying the income status reported by the family.

If there is a change from public assistance income to employment income, the PCDC will defer the family's rent increase for three months in order to encourage families to move to self-sufficiency.

1. This incentive will only be provided once to any family.

2. This incentive is not provided to persons who work seasonally.

In the following circumstances, the PCDC may conduct the interim re-examination by mail:

1. Changes that will not result in a change in tenant rent or HCV size.

2. Changes in income that is normal for the family, such as seasonal employment.
3. As a reasonable accommodation when requested (see Chapter 1 of this Plan, "Statement of Policies and Objectives").

Any changes reported by the family, other than those listed in this section, will be denoted in the file by staff, but will not be processed between regularly scheduled annual re-examinations.

D. NOTIFICATION OF RESULTS OF RE-EXAMINATIONS

The PCDC will notify the family and the owner of the results of the annual re-examination by mailing the Notice of Annual Re-certification/Rent Change. This notice informs the family and the owner of the contract rent, tenant rent, housing assistance payment, effective date of the change, and the family's next annual re-examination. The notice also informs the family of their right to request an informal hearing if they disagree with the rent adjustment (see Chapter 18 of this Plan). Form HUD-50058 reflecting the type and effective date of action will be completed and transmitted to the Multi-Family Tenant Characteristics System (MTCS) as required by HUD.

An Amendment to Lease with new lease term is also mailed with the Notice of Annual Re-certification/Rent Change for family and owner signature. A new lease and HAP Contract will be executed when an owner and/or family requests a new lease, or if there are any changes in the lease requirements governing tenant or owner responsibilities for utilities or appliances.

E. TIMELY REPORTING OF CHANGES IN INCOME AND ASSETS

Standard for Timely Reporting of Changes

The PCDC requires that families report interim changes by completing an Update of Family Circumstances form and submit supporting information regarding the change, within 15 days of when the change occurs. Any information, documents or signatures needed from the family, which is needed to verify the change, must be provided within 15 days of the change.

An exception for the submission of the documents supporting the change will be made for TANF recipients who obtain employment. In such cases, families will have to submit the Notice of Action from the Department of Public Social Services, within 15 days of receipt, that shows the full adjustment for employment income.

If the change is not reported within the required time period or if the family fails to provide documentation or signatures, it will be considered untimely reporting and may be subject to proposed termination of rental assistance.

Procedures when Change is Reported by Tenant in a Timely Manner

The PCDC will notify the family and owner of any change in the housing assistance payment to be effective according to the following guidelines:

1. Increase in the Tenant Rent is effective on the first of the month following at least a 30-day notice.

2. Decrease in the Tenant Rent is effective the first of the following month in which the change was reported in writing. However, no rent reductions will be processed until all the facts have been verified, even if a retroactive adjustment results.

An interim re-examination may be processed based on documentation provided by the family when the change in family circumstances results in a decrease in tenant rent, and after two attempts were made to obtain third-party written verifications. This decision is being made to avoid a hardship on the family. However, the case will be re-evaluated upon return of the third-party written verifications to make sure the tenant rent and housing assistance payment was accurately determined. The PCDC will revise the interim re-examination if the review reveals that the tenant rent and housing assistance payment was over/underestimated.

Procedures when Change is not Reported by Tenant in a Timely Manner

If the family does not report the change as described under Timely Reporting, the family will have caused an unreasonable delay in the interim re-examination processing and the following guidelines will apply:

1. Increase in Tenant Rent may be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be notified, in writing, of their forfeiture to an advance notice of rent increase due to their untimely reporting of changes in family circumstances. The family will also be informed of their right to request an informal hearing, in writing, if they disagree with the PCDC's decision. The family will be liable for any overpaid housing assistance payments and may be given an opportunity to enter into a Repayment Agreement, depending on the family's history under the HCVP, or make a lump-sum payment.

2. Decrease in Tenant Rent will be effective on the first of the month following completion of the process by the PCDC and not retroactively.

Procedures when Change is not Processed by PCDC in a Timely Manner

"Processed in a timely manner" means that the change in family circumstances was reported, by completing an Update of Family Circumstances form and submit supporting information regarding the change within 15 days of the change. In this case, an increase in the tenant rent will be effective after the required 30-day notice prior to the first of the month after completion of the process by the PCDC.

If the change resulted in a decrease in the tenant rent, the overpayment by the family will be calculated retroactively to the date it should have been effective.

F. REPORTING OF CHANGES IN FAMILY COMPOSITION [24 CFR 982.505, 982.516, 982.315]

All changes in family composition must be reported, by completing an Update of Family Circumstances form and submit supporting information regarding the change, within 15 days of the occurrence. Irrespective of any increase or decrease in the payment standard amount, if the family unit size increases or decreases during the HAP Contract term, the family unit size must be used to determine the payment standard amount for the family beginning at the family's first regular re-examination following the change in the family unit size.

Increase in Family Size

Increases other than by birth, adoption or court-awarded custody of a non-criminal nature must have the prior approval of the owner and the PCDC.

If the addition would result in overcrowding according to HQS maximum occupancy standards, the PCDC will not approve the addition other than birth, adoption or court-awarded custody of a non-criminal nature.

1. The PCDC will review the case for the HCV bedroom size.

2. The PCDC may issue a larger HCV (if needed under the Occupancy Subsidy Standards) for additions to the family in the following cases:

    a. Addition by marriage or marital-type relation.

b. Addition of a minor who is a member of the nuclear family who had been living elsewhere.

c. Addition of a PCDC approved live-in aide.

d. Addition of any relation of the head of household or spouse.

e. Addition due to birth, adoption or court-awarded custody of a non-criminal nature.

If a change due to birth, adoption, court-awarded custody of a non-criminal nature, or need for a live-in aide requires a larger size unit due to overcrowding, the change in the HCV shall be made effective immediately. The PCDC may determine whether to issue a larger HCV in this instance based on funding availability.

Decrease in Family Size

The family must follow the steps listed below to remove a family member from the household:

1. Complete and submit the Update of Family Circumstances form to the PCDC within 15 days of the date of the change.

2. Submit a notarized Affidavit from the adult family member who will no longer be part of the assisted household. The statement must include the effective move date, forwarding address, and telephone number. In addition, a copy of the lease where the family member will be residing will need to be submitted. If not available, other documentation must be submitted as proof of the new residence (i.e., utility bills, updated California Identification/Drivers License, business correspondence, etc.).

An interim re-examination will not be processed if the family fails to submit the supporting information that proves that the family member has moved out of the assisted unit. The PCDC will determine the effective date of the interim re-examination upon submittal of the supporting information, but not retroactively.

Family Break-Up

The PCDC has discretion to determine which members of an assisted family continue to receive assistance from the program if the family breaks up (i.e., divorce, legal separation

or the division of the family). The PCDC will consider the following factors when deciding who remains on the program if the family breaks up:

1. Which family members remain in the original assisted unit.

2. The interest of minor children, elderly or disabled family members.

3. Whether family members are forced to leave the unit as a result of actual or threatened physical violence against family members by a spouse or other members of the household. These families are protected under the Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA 2005). See Chapter 7 of this Plan for verification procedures.

4. Which family member was the head of household when the HCV was initially issued (refer to the HCV Application).

5. Recommendations of social service professionals.

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

The family will be responsible for submitting documentation verifying the above factors. The PCDC may terminate assistance if the family fails to submit the required documentation to determine the family's continued eligibility.

The family will be informed of their option to move to another unit or continue residing in the assisted unit where the breakup of the family results in a change of the bedroom size of the voucher.

Remaining Family Member

A remaining family member could be a spouse, head of household, co-head, adult family member, or a dependent as long as the assistance is continuous. Continuously assisted refers to families that are currently receiving assistance. It is the responsibility of the assisted family to select the new "head of household" from the approved remaining members.

The family will be required to inform the owner of the assisted unit about the change in head of household/family composition. The owner will decide if the change in head of household is acceptable. The head of household must notify the PCDC if the owner shall offer a new lease.

G. CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES [24 CFR 5.504, 5.518]

Under the Restrictions on Assistance to Non-Citizens rule, “mixed” families are families whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status. Mixed families may receive continued housing assistance. Mixed families who qualify for continued assistance after November 29, 1996, shall receive prorated assistance (see Chapter 6 of this Plan, “Factors Related to Total Tenant Payment Determination”).

CHAPTER 13

MOVES WITH CONTINUED ASSISTANCE/PORTABILITY

INTRODUCTION

HUD regulations permit families to move with continued assistance to another unit within the PCDC's jurisdiction, or to a unit outside of the PCDC's jurisdiction under portability procedures. The regulations also allow the PCDC the discretion to develop policies which define any limitations or restrictions on moves. This Chapter defines the procedures for moves both within and outside of the PCDC's jurisdiction, and the policies for restrictions and limitations on moves.

A. ALLOWABLE MOVES [24 CFR 982.314, 982.552]

A family may move to a new unit if:

1. The assisted lease for the old unit has terminated because the PCDC has terminated the HAP contract for owner breach, or the lease was terminated by mutual agreement of the owner and the family.

2. The owner has given the family a notice to vacate, commenced an action to evict the family, obtained a court judgment, or other process allowing the owner to evict the family (unless rental assistance to the family is proposed for termination).

3. The family has given at least a 60 Day Notice of lease termination to the owner (if the family has a right to terminate the lease on notice to owner, for owner breach or otherwise).

4. A member of the family is being relocated because they are a witness in connection with efforts to combat crime in public and/or assisted housing, if requested by law enforcement.

5. A member of the family is protected by the Violence Against Women and Justice Department Reauthorization Act 2005 (VAWA), because he/she has been a victim of domestic violence, dating violence, sexual assault, or stalking. The family will be required to complete, sign and submit Form HUD-50066 (see Chapter 7 of this Plan for verification procedures).

B. RESTRICTIONS ON MOVES

Families will not be permitted to move within the PCDC's jurisdiction during the initial lease term of assisted occupancy.

Families will not be permitted to move outside the PCDC's jurisdiction under portability procedures during the first year of admission, unless they have met all requirements.

Moves with continued rental assistance will only be processed during the family's annual re-examination unless the requested move is due to:

1. Causes beyond the family's control (i.e., foreclosure or loss of property; new owner unwilling to assume HAP contract, substandard unit).

2. Family is unable to afford the increased tenant rent due to changes in family circumstances.

3. VAWA victims.

4. Under-housed family.

5. Reasonable accommodation.

Families will not be permitted to move more than once in a 12-month period.

Families requesting a move prior to their annual re-examination and who fall under the above exceptions will be required to submit a 90-Day advance written request to move and supporting information of the reason(s) they wish to move. However, the family must not serve a notice of intent to vacate to the owner prior to receiving PCDC approval.

The PCDC will deny permission to move if:

1. There is insufficient funding for continued assistance.

2. The family owes the PCDC or any other Housing Agency money. This would include cases pending determination of overpaid rental assistance.

3. The family currently has a Repayment Agreement unless the outstanding balance of the Repayment Agreement is paid in full within 30 days of the move request and if no other program violations exist.

4. Families who have been evicted for damages to the assisted unit beyond normal wear and tear, failure to provide or maintain tenant-supplied utilities and/or appliances, non-payment of tenant rent, violent or drug-related criminal activity, serious or repeated violation of the lease, and/or other Family Obligation.

5. Families participating in Project-based Program.

6. The family's total tenant payment exceeds the applicable payment standard.

7. The family has moved or been issued a voucher within the last 12 months.

8. Move request is submitted prior to the family's annual re-examination process.

The PCDC may deny permission to move if:

1. The family has violated a Family Obligation (i.e., maintaining the unit within HQS).

Please refer to Chapter 19 of this Plan to determine eligibility to move with continued rental assistance for families participating in project-based programs.

The Housing Assistance Officer may make exceptions to these restrictions if there is an emergency reason for the move for which the family has no control.

C. PROCEDURE FOR MOVES

The following procedures will be followed for move requests received prior to the family's annual re-examination process:

1. Family submits a written request to move 90 days in advance of planned move.

2. PCDC provides the family with a move briefing packet, including a Personal Declaration for Rental Assistance Benefits form and schedules pre-move interview appointment with the family within 30 days of the written request.

3. PCDC reviews family's case to determine if a special inspection is required and may request the special inspection be performed. Pre-move out special inspections will only be requested when the participant has a documented history of Housing Quality Standards violations.

4. PCDC conducts a pre-move interview with the family to review the requirements for a move with continued rental assistance and the Personal Declaration for Rental Assistance Benefits form. As with an annual interview, the family will be required to provide all current information regarding family circumstances and sign the applicable forms and certifications. Additionally, the family will be required to submit rent receipts for the current and past 5 months or a written statement from the owner verifying the currency of their tenant rent.

5. Based on the pre-move interview, pre-move special inspection (if required), review of Enterprise Income Verification System (EIV) report, and receipt of the appropriate third party verifications, if requested, the PCDC will determine if the requested move with continued assistance will be granted. If the move is approved, the PCDC will:

    1. Instruct the family to provide the owner with a written notice of lease termination in accordance with the family's lease, keep a copy for their records and provide a copy of the served notice to the PCDC.

    2. PCDC schedules an appointment with the family for issuance of the Housing Choice Voucher.

    3. PCDC collects the copy of the lease termination notice served on the owner by the family during the scheduled appointment, calculates the Total Tenant Payment and 40% affordability for the family, and conducts a Briefing Session with the family which consist of the following:

        - A description of the PCDC's jurisdiction.
        - An explanation of the PCDC's policies and procedures.
        - A review of the briefing packet materials.
        - Issuance of the Housing Choice Voucher, Certificate or Coupon, and Request for Tenancy Approval packet.
        - Provides the family the available PCDC Marketing List and Pasadena Housing Search website address.

    4. PCDC notifies the owner of the termination of the Housing Assistance Payments contract in accordance with the family's written notice of lease termination.

The family is advised of their responsibility to remain in occupancy of the assisted unit and continue paying their tenant rent to the owner through the end of their lease termination, leave the unit clean and without tenant related damages, and return the keys to the owner upon vacating the assisted unit, as required by the Family Obligations to remain eligible for the program.

The family will be in violation of the Family Obligations if they vacate the assisted unit prior to the lease termination unless the family submits an agreement between the tenant and owner for an earlier termination of the lease. In the event that an agreement is not submitted, the family's voucher will be suspended pending the collection of the overpaid rental assistance.

If the family does not locate a new unit, they may remain in the current unit so long as the owner permits and if funding is available. Additionally, the family and owner must submit a written statement prior to the lease termination, signed by both parties agreeing to rescind the termination of the lease or agreeing to extend the lease termination.

Families who fail to continue paying their tenant rent through the end of their lease termination will have their issued voucher canceled and will be proposed for termination due to non-compliance of the Family Obligations, unless they submit a written statement from the owner verifying the outstanding rent has been paid.

If the move request is not approved, the PCDC notifies the family within 15 days of the determination and advises the family of their right to an informal hearing.

Please refer to Chapter 12 of this Administrative Plan for the procedure to follow when the family requests a move during their annual re-examination.

Time of HAP Contract Change

In a move, assistance stops at the old unit in accordance with the proper written notice to vacate.

The PCDC will enter into a HAP contract on the new unit after the termination of assistance at the old unit unless the family submits an agreement between the tenant and owner for an earlier termination of the lease.

The PCDC may approve up to 5 days of overlap assistance for the month in which the family moves.

Families moving in the same building/complex owned by the same owner will be processed like any other move, except that there will be no overlapping of assistance.

D. PORTABILITY [24 CFR 982.353]

Portability applies to families moving out of or into the PCDC's jurisdiction within the United States and its territories. Under portability, families are eligible to receive assistance to lease a unit outside of the PCDC's jurisdiction. The unit may be located in the same State as the PCDC or in the jurisdiction of a Public Housing Agency (PHA) anywhere within the United States that administers a tenant-based program. However, the PCDC may opt to deny portability moves, and moves within the PCDC jurisdiction, if the PCDC does not have sufficient funds under its calendar year budget to subsidize families. This would be a denial to move for insufficient funding under CFR 982.314(e)(1). The PCDC will contact the receiving PHA and confirm that the receiving PHA will absorb before denial of portability. See Exhibit G of this Plan for outgoing/incoming deadlines.

E. OUTGOING PORTABILITY [24 CFR 982.353, 982.355]

Families who are interested in moving outside of the PCDC's jurisdiction, must meet the criteria established for moves with continued rental assistance.

If the family is moving to a unit located in the same State as the PCDC, in the same Metropolitan Service Area (MSA), or in an adjacent MSA in a different State, and there is no PHA in the area where the unit is located, the PCDC will be responsible for the administration of the family's assistance.

The PCDC will choose a management company, another PHA, or a private contractor to administer the assistance. If there is more than one PHA in the area in which the family has selected a unit, the PCDC will choose the receiving PHA.

Restrictions on Portability

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

1. Families will not be permitted to exercise portability during the initial 12 month period after admission to the program or lease-up in the PCDC's jurisdiction.

2. If the family is in violation of a Family Obligation.

3. If the family owes money to the PCDC.

4. If there is less than 30 days left on their voucher.

Outgoing Portability Procedures

Families who express an interest in portability must complete and submit the Request for Portability form to move outside of the PCDC's jurisdiction at least 30 days prior to the expiration of the issued HCV, which specifies the area to which the family wants to move.

The PCDC will provide the family with the name and location of the receiving Public Housing Agency (PHA), the contact person and telephone number.

The PCDC will contact the receiving PHA in the jurisdiction where the family wants to move and advise the receiving PHA that the family will be moving into their jurisdiction. The PCDC will also seek to determine if the receiving PHA will absorb or administer the family's rental assistance.

The family will be responsible for contacting the receiving PHA and schedule an appointment with the contact person who will process them as an in-coming portable family.

The PCDC will prepare, mail, and/or fax the portability packet to the receiving PHA. The following documents will be included in the portability packet:

1. A copy of the family's HCV, with issued and expiration dates, formally acknowledging the family's ability to move under portability.

2. The most recent Form HUD 50058 (Family Report) and related verification information.

3. Copies of vital statistics documents and California Identification or Drivers License.

4. Declarations and verifications of U.S. citizenship/eligible immigration status and vital statistics.

5. Copy of the Enterprise Income Verification System report.

6. Most recent Personal Declaration for Rental Assistance Benefits form.

The receiving PHA must promptly notify the PCDC:

1. Whether the receiving PHA will bill the initial PHA for assistance on behalf of the portable family, or will absorb the family into its own program.

2. If the family has leased an eligible unit under the program or if the family fails to submit a request for approval of the tenancy for an eligible unit within the term of the HCV.

The receiving PHA must determine whether to extend the HCV. However, if the time is beyond the expiration date of the initial PHA's HCV, the receiving PHA must inform the initial PHA of the extension and bear in mind the billing deadline. Additionally, the initial PHA will be responsible for submitting a revised form HUD-52665.

If the PCDC does not receive notification from the receiving PHA regarding the status of the ported family, within 60 days following the expiration of the initial HCV, the PCDC will cancel the HCV and will notify the receiving PHA.

Families porting out of the PCDC's jurisdiction may be subject to criminal background conducted by the receiving PHA.

Families who decide not to lease in the jurisdiction of the receiving PHA and wish to port out to another jurisdiction must submit their decision in writing to the receiving PHA. The receiving PHA must return the portability packet to the PCDC before processing the family's request to port out to a third jurisdiction.

If the receiving PHA denies assistance to the family, the receiving PHA will be required to notify the PCDC within 15 days, and offer the family an informal review or informal hearing.

Payment to the Receiving PHA

Payments for families in other jurisdictions will be made to other PHA's in accordance with HUD approved procedures for payment.

When billed, the PCDC will reimburse the receiving PHA for 100% of the housing assistance payment, and 80% of the Administrative Fee (at the PCDC's rate), and any other HUD-approved fees. However, the PCDC will only honor billings received within 10 working days from the date the HAP contract is executed by the receiving PHA.

F. INCOMING PORTABILITY [24 CFR 982.355]

Required Documents

As receiving PHA, the PCDC will require the following documents from the Initial PHA:

1. A copy of the family's HCV, with issue and expiration dates, formally acknowledging the family's ability to move under portability.

2. The most recent form HUD-50058 and supporting verifications.

3. Copy of the Enterprise Income Verification System report.

4. Declarations and verifications of U.S. citizenship/eligible immigration status.

5. A form HUD-52665.

Incoming Portability Procedures

The PCDC will review the in-coming portability packets to determine if all required information is included. Portability packets will be returned to the initial PHA for the following reasons:

- Invalid effective date of HCV.
- Expired HCV.
- Less than 30 days are left on the HCV.
- Missing EIV report.
- Missing information supporting the latest form HUD-50058.
- Missing form HUD-52665.

The PCDC will make an attempt to request from the initial PHA the missing information before returning the portability packet.

The PCDC will schedule an appointment with the incoming portability family within two weeks of receipt of a complete portability packet. The family will be instructed to bring the following information to the scheduled appointment:

- Personal Declaration for Rental Assistance Benefits form.

- Authorizations for Release of Information (PCDC and form HUD-9886) signed by all adult family members.

- What You Should Know About EIV & Debts Owed to Public Housing Agencies and Terminations program forms signed by all adult family members.

- Copies of vital statistics documents.

- Current verifications supporting the family's circumstances.

The PCDC will conduct a criminal background for all adult family members. Each adult family member will be required to complete a Criminal History Background form, sign and date this form, during the time of the interview.

The PCDC determines the HCV bedroom size for the family, applying the PCDC's Subsidy Standards, and uses the same dates on the HCV issued by the initial PHA. Additionally, the family's Total Tenant Payment and 40% affordability is determined and a briefing session is conducted with the family which consists of the following:

- A description of the PCDC's jurisdiction.

- An explanation of the PCDC's policies and procedures.

- Request for Tenancy Approval packet.

- Provides the family with the available PCDC Marketing List and Pasadena Housing Search website address.

Absorption or Administration

The PCDC will accept a family with a valid HCV from another jurisdiction and administer or absorb the HCV. The PCDC will determine whether to extend the HCV term.

When the PCDC, as the receiving PHA, does not absorb the incoming HCV, it will administer the initial PHA's HCV and the PCDC's policies will prevail. For admission to the HCVP, the family must be within the PCDC's very-low income limits.

The PCDC will issue a HCV according to its own subsidy standards. If the family has a change in family composition due to birth, adoption, or marital status which would change the HCV size, the PCDC will change the HCV to the proper size based on its own subsidy standards. However, the initial PHA will be responsible for approval of any other additions to the family composition.

The PCDC's policy on suspensions will apply. However, if an incoming family ultimately decides not to lease in the jurisdiction of the PCDC, but instead wishes to return to the initial PHA or wishes to search in another jurisdiction, the PCDC will refer the family back to the initial PHA.

Income and TTP of Incoming Portables

As receiving PHA, the PCDC will conduct a re-examination interview to verify the information provided, if any documents are missing, or are over 120 days old, whichever is applicable, or there has been a change in the family's circumstances.

If the family's income exceeds the income limit of the PCDC, the family will not be denied assistance, unless the family is an applicant and the total annual income for the family exceeds the very-low income limit for the number of persons in the family.

If the family's income is such that a $0 subsidy amount is determined prior to lease-up in the PCDC's jurisdiction, the PCDC will refuse to enter into a contract on behalf of the family at $0 assistance. The family will be returned to the initial PHA.

Request for Tenancy Approval

When the family submits a Request for Tenancy Approval (RFTA), it will be processed using the PCDC's policies. If the family does not submit a RFTA and does not execute a lease, the PCDC will inform the initial PHA, within 10 working days, when the HCV has expired.

If the family leases up successfully, the PCDC will notify the initial PHA, within 10 working days from the date a HAP contract is executed, of the effective date of the absorption or commencement of billing process.

If the PCDC denies assistance to the family, the PCDC will notify the initial PHA, within 15 days, and the family will be offered an informal review or informal hearing.

The PCDC will return the portability packet to the initial PHA, along with completed form HUD-52665, in cases where the family decides not to lease in the PCDC’s jurisdiction.

Billing Procedures

As receiving PHA, the PCDC will bill the Initial PHA every 30 days for housing assistance payments. The billing cycle for other amounts, including administrative fees, will also be monthly unless otherwise requested by the initial PHA.

The PCDC will bill 100% of the housing assistance payment, and any other HUD-approved fees, for each portable HCV leased as of the first day of the month.

The PCDC will notify the initial PHA of changes in subsidy amounts, and will expect the initial PHA to notify the PCDC of changes in the administrative fee amount to be billed.

Terminations

The PCDC will notify the initial PHA in writing of any termination of assistance. If an informal hearing is required and requested by the family, the hearing will be conducted by the PCDC using regular hearing procedures outlined in Chapter 18 of this Administrative Plan.

Mobility

The PCDC may enter into an inter-jurisdictional agreement with other PHA's to assist portable families who relocate in other jurisdictions. The PCDC or the initial PHA determines eligibility and maintains the family's file. The receiving PHA will only conduct the HQS inspections in a timely manner, and bill the PCDC or the initial PHA for this service only. A copy of the inspection reports will be submitted with the invoice for payments. The fee for inspections will be negotiated by the two PHAs.

At the request of the participating PHA, the mobility agreement may allow for PCDC families to lease in their jurisdiction while all inspections, eligibility determination, and file maintenance responsibilities remain with the PCDC.

CHAPTER 14

CONTRACT TERMINATIONS

INTRODUCTION

The Housing Assistance Payments (HAP) contract is between the owner and the PCDC, and defines the responsibilities of both parties. This Chapter describes the circumstances under which the contract can be terminated by the PCDC and the owner, and the policies and procedures for such terminations.

The term of the HAP contract is the same as the term of the lease. No future subsidy payments on behalf of the family will be made by the PCDC to the owner after the month in which the HAP Contract is terminated. The owner must reimburse the PCDC for any subsidies paid by the PCDC for any period after the HAP contract termination date.

If the family continues to occupy the unit after the HAP contract is terminated, the family is responsible for the total amount of rent due to the owner. The owner will have no right to claim compensation from the PCDC.

The term of the lease and contract may be extended, if mutually agreed upon, where the owner and tenant initiated the termination of the lease. A written agreement must be submitted to the PCDC prior to the original termination date as long as no program violations exist. However, the PCDC will not extend the HAP contract if the PCDC determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

After a HAP contract termination, if the family meets the criteria for a move with continued assistance, the family may lease-up in another unit. The HAP contract for the new unit may begin during the month in which the family moved from the old unit.

The PCDC will comply with Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA), which protects family members who are victims of domestic violence, dating violence, or stalking from being evicted or terminated from housing assistance based on acts of such violence against them. The family may be required to complete, sign and submit Form HUD-50066 or other acceptable documentation in order to verify the family's claim that the request to move is prompted by incidences of abuse in the unit, within 14 business days of the request.

A. TERMINATION BY THE FAMILY: MOVES [24 CFR 982.314 (c)(2)]

The lease stipulates that the family cannot move from the unit until after the first year of the lease. The notice period to the owner is determined by the lease. The written notice may be 30 days in special conditions, but must be at least a 60-day written notice to the owner (see Chapter 13 of this Plan).

B. TERMINATION BY THE OWNER: EVICTIONS [24 CFR 982.310]

If the owner wishes to evict the family and terminate the lease, the owner is required to use the procedures in HUD regulations and State or local law. The owner must provide the PCDC with a copy of the eviction notice. The owner must provide the family with a written notice and should specify the grounds for termination of tenancy, at or before the commencement of the eviction action.

The owner eviction notice means a notice to vacate, or a complaint, or other initial pleading used under State or local law to commence an eviction action.

During the term of the lease, the owner may not terminate the tenancy except on the following grounds:

1. Serious violation (including, but not limited to failure to pay rent or other amounts due under the lease) or repeated violation of the terms and conditions of the lease.

2. Violations of Federal, State or local law related to occupancy of the unit.

3. Other good cause, including:

    a. Criminal activity by the family, any member of the household, a guest or another person under the family's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents or persons residing in the immediate vicinity of the premises;

    b. Any drug-related criminal activity on or near the premises; or

    c. Family history of disturbance of neighbors, destruction of property, or behavior resulting in damage to the premises.

4. Other good cause, after the first year of the lease, also includes:

    a. Failure by the family to accept the offer of a new lease or revision;

b. The owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit; or

c. Business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, the owner's desire to rent the unit for a higher rent).

For families where an incident or incidents of actual threatened domestic violence, dating violence, or stalking will not be construed as serious or repeated violations of the lease or other "good cause" for termination of the assistance, tenancy, or occupancy rights of such a victim.

The eviction notice should specify the cause for the eviction. The PCDC requires that the owner specify the section of the lease that has been violated and cite some or all of the ways in which the family has violated that section, as documentation for the PCDC's termination of rental assistance.

Housing assistance payments terminate when the lease is terminated by the owner in accordance with the lease. However, if the owner has commenced the process to evict the tenant, and if the family continues to reside in the unit, the PCDC must continue to make housing assistance payments to the owner in accordance with the PCDC contract until the owner has obtained a court judgment or other process allowing the owner to evict the tenant. The owner will be required to submit copies of the filed court documents timely (within 15 days) to the PCDC. The PCDC may continue such payments until the family moves from or is evicted from the unit. The owner must submit a copy of the final court judgment within 5 days.

If the owner opts out for business or economic reasons or non-renewal of the lease, the family must be given a 90-day written notice, with a copy to the PCDC. Such reasons include desire to sell the property, renovation of the unit, or desire to obtain a higher rent than the PCDC will approve. However, written notice is subject to current State and local law.

The PCDC must continue making housing assistance payments to the owner in accordance with the HAP contract as long as the family continues to occupy the unit and the HAP contract is not violated. By accepting the monthly payment from the PCDC, the owner certifies that the family is still in the unit and they are in compliance with the HAP contract.

If the eviction is not due to a serious or repeated violation of the lease, and if the PCDC has no other grounds for termination of assistance, the PCDC may issue a HCV so that the family can move with continued assistance.

C. TERMINATION OF THE CONTRACT BY PCDC OR DUE TO BREACH OF CONTRACT [24 CFR 982.404 (a), 982.453, 982.454, 982.455, 982.306]

The term of the HAP contract terminates when the lease terminates, PCDC terminates program assistance for the family, and/or the owner has breached the HAP contract.

If the PCDC terminates the HAP contract due to breach of contract, the PCDC will provide the owner and family with at least a 30-day written notice of termination of the HAP contract.

1. Any of the following actions by the owner (including a principal or other interested party) is a breach of the HAP contract by the owner:

    a. If the owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit in accordance with HQS.

    b If the owner has violated any obligation under any other HAP contract under Section 8 of the 1937 act (42 U.S.C. 1437f).

    c If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

    d. For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with mortgages or mortgage note, or with the regulatory agreement; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan.

    e. If the owner has engaged in drug-related criminal activity; or

    f. If the owner has committed any violent criminal activity.

2. The PHA rights and remedies against the owner under the HAP contract include recovery of overpayments, abatement or other reduction of housing assistance payments, termination of housing assistance payments, and termination of the HAP contract.

The PCDC may terminate the HAP contract if:

1. The PCDC terminates assistance to the family for any grounds authorized by HUD regulations;

2. The family is required to move from a unit which is under-occupied or overcrowded; or

3. Funding is no longer available under the Consolidated ACC.

4. Familial relationship between owner and tenant exists and:

5. A. family is no longer eligible for the reasonable accommodation.

6. Failure to disclose; or

7. Administrative error.

The PCDC will terminate HAP contracts, in accordance with HUD requirements, if the PCDC determines that funding under the Consolidated ACC is insufficient to support continued assistance for families in the program. PCDC HAP contracts may be terminated in, but not limited to, the following manner upon PCDC's review and finding that any member of a family household:

1. Failed to reimburse any PHA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.

2. Breached an agreement with a PHA to pay amounts owed to a PHA, or amounts paid to an owner by a PHA.

3. Owes rent or other amounts to the PCDC or to another PHA in connection with Section 8 HCVP or public housing assistance under the 1937 Act; and

4. Violated any Family Obligation under the program as listed in 24 CFR 982.551.

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

The HAP contract terminates automatically 180 days after the last housing assistance payment to the owner.

Notice of Termination

The PCDC will provide the owner and family with a written notice of termination of the HAP contract. The PCDC will terminate the HAP contract on the last day of the month in which the following circumstances occur:

1. Deceased Single Member Households. Once the PCDC has confirmed the death of the HOH of a single member household or a household where the surviving household member is the live- in aide, the PCDC is required to complete and submit a form HUD-50058 for End of Participation. The PCDC may list the date of death as the last day of the month in which the death occurred. The landlord is entitled to receive the full HAP amount for the month in which the tenant death occurred

2. Family vacates without notice.

D. TERMINATION DUE TO INELIGIBLE IMMIGRATION STATUS [24 CFR 5.514 & 5.500 - 5.528]

The PCDC will give notice of HAP Contract termination if there is no eligible remaining household member with eligible immigration status.

E. TERMINATION DUE TO FORECLOSURE

Foreclosed properties in which Section 8 voucher recipients reside must comply with Sections 702 and 703 of the PTFA. If the immediate successor-in-interest will use the unit as a primary residence, the lease can be terminated effective on the date of the sale. In such case tenant is still entitled to a minimum of 90 days notice to vacate.

During the term of the lease, the owner shall not terminate the tenancy except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause, and in the case of an owner who is an immediate successor in interest pursuant to foreclosure during the term of the lease vacating the property prior to sale shall not constitute other good cause, except that the owner may terminate the tenancy effective on the date of transfer of the unit to the owner if the owner:

1. Will occupy the unit as a primary residence; and

2. Has provided the tenant a notice to vacate at least 90 days before the effective date of such notice.

F. TERMINATION OF HAP CONTRACT AND HOUSING CHOICE VOUCHERS: INSUFFICIENT FUNDING [24 CFR 982.454]

The PCDC may terminate the HAP contract if the PCDC determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued rental assistance for families in all programs.

Prior to the termination of existing HAP contracts for reason of insufficient funding, a formal "Declaration of Insufficient Funding" is required. This declaration shall be made in writing and signed by the Chief Executive Director, Housing Director, and the City's Finance Director will sign concurrence.

The authority to approve the termination of HAP contracts due to insufficient funding is vested in "the City Council" acting in its capacity as the PCDC." The approval to terminate HAP contracts shall be granted only through formal resolution of the City Council, after it has duly considered a formal "Request to Terminate HAP contracts due to Insufficient Funding."

If the PCDC must terminate HAP contracts due to insufficient funding, the PCDC will terminate HAP contracts and/or cancel Housing Choice Vouchers (HCV) in the following order:

1. Cancel all outstanding HCV for applicants who have been issued a voucher from the waiting list including applicants who have submitted a Request for Tenancy Approval (RFTA).

2. Participants who voluntarily withdraw their participation from the program.

3. Participants that have seriously and/or repeatedly violated the family obligations (first in, first out).

4. Participants that currently have a Repayment Agreement (largest to smallest amount).

5. Participants that are not in a contracted unit and do not hold an active HCV will not be issued a HCV to move with continued rental assistance.

6. Participants (including out-going portables) who currently hold an active HCV and are no longer in a contracted unit.

7. Participants with household members with disregarded income. Example: a household consists of parents with income and one or two college students who also have income, which is not included in computing the tenant rent. The total income of these households may be enough to afford the rent without rental assistance.

8. Participants currently holding an active HCV and whose contract is due to terminate will have their HCV cancelled and HAP contract will not be reinstated or extended.

9. Participants who are renting property owned by a relative (first in, first out).

10. Participants that are over-housed (largest to smallest).

11. Participants that are single, non-elderly and non-disabled households (first in, first out).

In the event the above selection criteria fails to yield a sufficient number of contract terminations necessary to meet funding levels, additional contracts will be selected through a lottery conducted by the PCDC. A number will be assigned to all remaining existing contracts. These numbers will be selected at random until a sufficient number of contracts have been identified to achieve the required cost reductions.

Participants whose HCV was cancelled or HAP contract terminated due to insufficient funding will be placed on the PCDC reissued waiting list and assigned a priority number based on the order of their cancellation. This number identifies the order they may be reissued a HCV once funding is available and eligibility is redetermined. However, participants that have committed fraud and/or repeatedly violated the family obligations will be proposed for termination of rental assistance in accordance with Chapter 18 of the Administrative Plan.

Applicants whose vouchers were cancelled due to insufficient funding will be returned to the PCDC waiting list. These applicants will be issued a HCV upon redetermination of eligibility when funding is available.

Notice of Termination

The PCDC shall provide the owner and participant with a minimum of 30 days written "Notice of HAP Contract Termination for Reason of Insufficient Funding." The notice of HAP contract termination shall be signed by the Chief Executive Director and sent to the owner and to the participant via first class mail.

This written notice to the owner shall describe the:

1. Reason for contract termination.

2. Regulatory and administrative plan reference authorizing the termination.

3. Effective date of the contract termination.

4. Responsibilities of the owner to offer the family a new lease.

5. PCDC contact person.

This written notice to the participant shall describe the:

1. Reason for contract termination.

2. Regulatory and administrative plan reference authorizing the termination.

3. Effective date of the contract termination.

4. Responsibilities of the participant to enter into a new lease with the owner if they decide to remain in occupancy of the unit after the HAP contract is terminated.

5 PCDC contact person.

6. Notice of availability of funding and redetermination of eligibility.

Families are required to report to the PCDC in writing within 15 days when their address (home and/or mailing) has changed by completing and submitting an Update of Family Circumstances form. The PCDC will follow the procedures outlined in Chapter 3 of this Administrative Plan related to misdirected mail. However, participants will be proposed for termination as outlined in Chapter 15 of this Administrative Plan, and applicants will be disqualified as outlined in Chapter 3 of this Administrative Plan.

Notice of Termination to Initial PHA (Outgoing Billable Portables Vouchers)

In the event the assistance on behalf of an outgoing portable billable participant is selected for termination, the PCDC shall notify the receiving PHA of its intent to terminate assistance for reason insufficient funding. The receiving PHA has the option of absorbing the family. The receiving PHA shall be notified at least 60 days in advance of the effective date of the termination of assistance. The receiving PHA is responsible for all notifications to the owner and participant.

Placement on the PCDC Reissue Section HCVP Waiting List

Placement on the PCDC Reissue Section 8 HCVP Waiting List will be based on category and assigned number.

The PCDC will reissue HCVs in the following category once funding is available:

1. Participants.

2. Applicants.

CHAPTER 15

DENIAL OR TERMINATION OF ASSISTANCE

INTRODUCTION

The PCDC may deny or terminate assistance for a family because of the family's action or failure to act. The PCDC will provide families with a written description of the Family Obligations under the program, the grounds under which the PCDC can deny or terminate assistance, and the PCDC's informal hearing and review procedures. This Chapter describes when the PCDC is required to deny or terminate assistance, and the PCDC's policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP Contract.

A. FORMS OF DENIAL/TERMINATION [24 CFR 982.552]

Denial of assistance for an applicant may include any or all of the following:

1. Denying listing on the PCDC waiting list.
2. Denying or withdrawing a HCV.
3. Refusing to enter into a HAP Contract or approve a lease.
4. Refusing to process or provide assistance under portability procedures.

Termination of assistance for a participant may include any or all of the following:

5. Refusing to enter into a HAP Contract or approve a lease.
6. Terminating housing assistance payments under an outstanding HAP Contract.
7. Refusing to process or provide assistance under portability procedures.

Requirement to Deny Admission or Terminate Assistance [24 CFR 982.552(b),(2), (3),(4)]

The PCDC must deny assistance to applicants and terminate assistance for participant families for any of the following grounds:

1. For a family evicted from housing assisted under the program for serious violation of the lease.

2. If any member of the family fails to sign and submit required HUD or PCDC consent forms for obtaining information.

3. If no member of the family is a U.S. citizen or eligible immigrant.

4. If any family member fails to meet the eligibility requirements concerning individuals enrolled at an institution of higher education as specified in 24 CFR 5.612.

5. If the family is under contract and 180 days have elapsed since the PCDC's last housing assistance payment was made.

Grounds for Denial or Termination of Assistance [24 CFR 982.552(c)(1)]

The PCDC may at any time deny program assistance for an applicant or terminate program assistance for a participant for any of the following grounds:

1. The family violates any family obligation under the program as listed in 24 CFR 982.551.

2. Any member of the family has been evicted from Federally assisted housing in the last five years.

3. If the PCDC has ever terminated assistance under the program for any member of the family for a minimum of 5 years and maximum lifetime ban for intentional program violators.

4. If any member of the family has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program (see 24 CFR 982.553(a)(1)).

5. The family currently owes rent or other amounts to the PCDC, or to another PHA, in connection with Section 8 or public housing assistance under the 1937 Act.

6. The family has not reimbursed any PHA for amounts paid to an owner under a HAP Contract for rent, damages to the unit, or other amounts owed by the family under the lease.

7. The family breaches an agreement with PCDC or another PHA to pay amounts owed to a PHA or amounts paid to an owner by a PHA. (The PHA, at its discretion, may offer a family the opportunity to enter an agreement to pay amounts owed to a PHA or amounts paid to an owner by PHA. The PHA may prescribe the terms of the agreement.)

8. If a family participating in the FSS program fails to comply, without good cause, with the family's FSS contract of participation.

9. The family has engaged in or threatened abusive or violent behavior toward PCDC personnel.

   "Abusive or violent behavior towards PCDC personnel" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial.

   "Threatening" refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

   Actual physical abuse or violence will always be cause for termination.

10. If the family has been engaged in criminal activity or alcohol abuse as described in 24 CFR 982.553.

PCDC Consideration of Circumstances in Determining Denial or Termination of Assistance for Family [24 CFR 982.552]

In determining whether to deny or terminate assistance because of action or failure to act by members of the family:

1. The PCDC may consider all relevant circumstances such as the seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstances related to the disability of a family member, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.

2. The PCDC may impose, as a condition of continued assistance for other family members, a requirement that other family members who participated in or were culpable for the action or failure will not reside in the unit. The PCDC may permit the other members of a participant family to continue receiving assistance.

3. In determining whether to deny admission or terminate assistance for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the PCDC consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the PCDC may require the applicant or tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

4. If the family includes a person with disabilities, the PCDC's decision concerning such action is subject to consideration of reasonable accommodation in accordance with Part 8 of Title 24.

5. Nondiscrimination limitation and protection for victims of domestic violence. The PCDC's admission and termination actions must be consistent with fair housing and equal opportunity provisions of Sec. 5.105 of this title, and with the requirements of 24 CFR Part 5, Subpart L, protection for victims of domestic violence, dating violence, and stalking.

B. OBLIGATIONS OF THE RENTAL ASSISTANCE PROGRAM PARTICIPANT FAMILY [24 CFR 982.551]

1. The family must supply any information that the PHA or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status (as provided by 24 CFR part 5). "Information" includes any requested certification, release or other documentation.

2. The family must supply any information requested by the PHA or HUD for use in a regularly scheduled re-examination or interim re-examination of family income and composition in accordance with HUD requirements.

3. The family must disclose and verify Social Security numbers (as provided by part 5, subpart B, of 24 CFR), and must sign and submit consent forms for obtaining information in accordance with 24 CFR, Part 5, Subpart B.

4. Any information supplied by the family must be true and complete.

5. The family is responsible for an HQS breach caused by the family as described in 24 CFR 982.404(b).

6. The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice.

7. The family may not commit any serious or repeated violation of the lease (such as non-payment of rent or violent criminal or drug activity). Under 24 CFR 5.2005(a), an incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be construed as a serious or repeated lease violation by the victim or threatened victim of domestic violence, dating violence, or stalking, or as good cause to terminate the tenancy, occupancy rights, or assistance of the victim.

8. The family must notify the PHA and the owner before the family moves out of the unit, or terminates the lease on notice to the owner. See 24 CFR 982.314(d)

9. The family must promptly give the PHA a copy of any owner eviction notice.

10. The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

11. The composition of the assisted family residing in the unit must be approved by the PHA. The family must promptly inform the PHA of the birth, adoption or court-awarded custody of a child. The family must request PHA approval to add any other family member as an occupant of the unit. No other person [i.e., nobody but members of the assisted family] may reside in the unit.

12. The family must promptly notify the PHA if any family member no longer resides in the unit.

13. If the PHA has given approval, a foster child or a live-in aide may reside in the unit. The PHA has the discretion to adopt reasonable policies concerning residence by a foster child or a live-in-aide, and defining when PHA consent may be given or denied.

14. 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.

15. The family must not sublease or let the unit.

16. The family must not assign the lease or transfer the unit.

17. The family must supply any information or certification requested by the PHA to verify that the family is living in the unit, or relating to family absence from the unit, including any PHA requested information or certification on the purposes of family absences. The family must cooperate with the PHA for this purpose. The family must promptly notify the PHA of absence from the unit.

18. The family must not own or have any interest in the assisted unit.

19. The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the programs.

20. The members of the family may not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises (see 24 CFR 982.553). Under 24 CFR 5.2005(b), criminal activity directly related to domestic violence, dating violence, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of tenancy, occupancy rights, or assistance of the victim, if the tenant or immediate family member of the tenant is the victim.

21. 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.

22. An assisted family, or members of the family, may not receive Section 8 tenant-based assistance while receiving another housing subsidy for the same unit, or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) Federal, State or local housing assistance program.

PCDC Adopted Obligations of the Rental Assistance Program Participant Family

The family must:

1. Keep scheduled appointments, submit/provide requested information /documents by the given deadlines.

2. Allow the PCDC to inspect the unit at least once a year or as needed.

3. Cooperate in moving to another unit when the family has become or is too large or too small for the Rental Assistance Program unit they are living in.

4. Pay their monthly tenant rent timely, as determined by the PCDC.

5. Pay the utility bills and supply appliance(s) the owner is not required to supply under the lease agreement. Utilities services must be on at all times during the families tenancy of the assisted unit.

6. Repay money owed to the PCDC. If a family owes an outstanding debt, the PCDC may arrange a repayment agreement depending on the reason and the amount. The family must abide by the terms of the Repayment Agreement to remain eligible for rental assistance. The family cannot move from one unit to another unit until the debt is paid in full.

7. Report in writing all changes in household composition, income, and assets within 15 days of the change by completing an Update of Family Circumstances form and submit supporting information regarding the change.

8, Not pay or give the owner any unauthorized side payments or pay more rent than the PCDC has authorized. If an owner asks the family to pay extra rent, the family must send a written notice to their PCDC representative at once. This is an illegal activity and considered fraud under the HCVP.

9. Not damage the unit or surrounding property or allow any guest or visitor to damage the rental property.

10. Not violate the HCVP and PCDC Family Obligations.

11. Not engage in any acts of violent behavior or threats of violent behavior against PCDC personnel.

12. Provide the PCDC with a 90-day written advance request for approval to move. Once the PCDC has approved the family's request to move, the family must serve the owner a 60-day written notice of lease termination with a copy to the PCDC. If the family fails to notify the owner and PCDC at least 60 days before the family moves, the family is not eligible for a new certificate, coupon or voucher.

13. Not allow persons unauthorized by the PCDC to use the assisted unit address for mailing purposes.

14. Obtain PCDC approval and owner approval prior to allowing an individual to move into the assisted unit.

15. Provide the PCDC promptly with any type of notice served to them by the owner.

HQS Breach

The inspector and/or the owner will determine if an HQS breach, as identified in 24 CFR 982.404(b), is the responsibility of the family. Families may be given extensions to HQS breaches by Housing Specialist or Housing Assistance Officer (see Chapter 10 of this Plan).

Lease Violations

The following criteria will be used to decide if a serious or repeated violation of the lease will cause a termination of assistance:

If the owner notifies the family of termination of lease for serious or repeated lease violations, family moves from the unit prior to the completion of court action, and the PCDC determines that the cause is a serious or repeated violation of the lease based on available evidence.

Notification of Eviction

If the family requests assistance to move and they did not notify the PCDC of an eviction within five days of receiving the Notice of Lease Termination, the move may be denied.

Additions to Family Composition

Proposed additions to the household may be denied for the following:

1. Persons who have been evicted from public housing.

2. Persons who have previously violated a family obligation listed in 24 CFR 982.551 of the HUD regulations.

3. Persons who for program violations have been part of a family whose assistance has been terminated under the Rental Certificate or HCVP within the last five years.

4. Persons who have engaged in drug-related criminal activity or violent criminal activity.

5. Persons who have engaged in fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program.

6. Persons who owe rent or other amounts to the PCDC or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act. This includes persons who caused an overpayment of rental assistance due to being an unauthorized household member.

7. Persons who have not reimbursed the PCDC or any other PHA for amounts paid to an owner under a HAP Contract for rent, damages to the unit, or other amounts owed by the family under the lease.

8. Persons who breached an agreement with the PCDC or any other PHA to pay amounts owed to an owner by a PHA.

9. Persons who have engaged in or threatened abusive or violent behavior toward PCDC personnel.

10. Persons who have been required to register as lifetime sex offenders.

11. Persons cannot be related to the property owner.

12. Failure to submit proper legal documents to support guardianship/custody of minor.

13. Owner disapproval.

14. The addition would result in the household being underhoused.

Family Member Moves Out

Families are required to notify the PCDC within 15 days if any family member leaves the assisted household by completing an Update of Family Circumstances form and submit supporting information regarding the change. The family must also provide the following information:

1. The date the family member moved out.

2. The new address, if known, of the family member.

3. A statement as to whether the family member is temporarily or permanently absent.

4. Documentation verifying new residence of the family member.

See Chapters 7 and 12 of this Administrative Plan for verification procedures for permanent absent household member and processing of interim re-examination.

Limitation on Profit-Making Activity in Unit

If the family engages in legal profit making activities in the unit, the family must first obtain written approval from the owner. The family must submit a copy of the written request and approval from the owner to the PCDC.

If the business activity area results in the inability of the family to use any of the critical living areas, such as a bedroom utilized for a business which is not available for sleeping, it will be considered a violation and may be grounds for termination.

The family must report to the PCDC any income generated from the legal profit making activities in the unit within 15 days by completing an Update of Family Circumstances form and submit supporting information regarding the change.

Interest in Unit [24 CFR 982.306]

The owner may not reside in the assisted unit regardless of whether they are a member of the assisted family, unless the family owns the mobile home and rents the space under the HCV Program.

The U.S. Department of Housing and Urban Development established a policy that applies to all new admissions, and active participants who are moving to a new unit after June 16, 1998. Effective June 17, 1998, the PCDC may not approve a unit for lease if the legal owner (including a principal or other interested party) of the property is the parent, child, grandparent, grandchild, sister or brother of any member of the family, or related by marriage unless the PHA has determined (and has notified the owner and the family of such determination) that approving the leasing of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.

If the relationship was not initially disclosed to the PCDC, the total amount of the HAP paid from the effective date of the HAP contract must be reimbursed to the PCDC. The family and owner will be held responsible for the full overpayment to the PCDC. Additionally, the family will be subject to proposed termination of their rental assistance. Reasonable accommodation cannot be requested after the initial contract has been executed.

Fraud

For PCDC purposes, fraud is defined as the following:

A deception deliberately practiced in order to secure unfair or unlawful gain.

In each case, the PCDC will consider which family members were involved, the circumstances, and any hardship that might be caused to innocent members.

In the event of false legal immigration status claims, the PCDC will give the family member the opportunity to elect not to contend their status in lieu of termination of the entire family.

Immigration Status [24 CFR 982.552(b)(4)]

The family must submit required evidence of citizenship or eligible immigration status. See 24 CFR 5.612 for a statement of circumstances in which the PCDC must deny admission or terminate program assistance because a family member does not establish citizenship or eligible immigration status and the applicable informal hearing procedures.

Drug Related and Violent Criminal Activity

Drug-related criminal activity is the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use a controlled substance. Drug-related criminal activity means on or off the premises, not just on or near the premises.

Violent criminal activity includes any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property and any family member is engaging in the activity.

Criminals and Alcohol Abusers [24 CFR 982.553]

The PCDC may prohibit admission to the program or propose termination of rental assistance of a household if the PCDC determines that any household member is currently engaged in, or has engaged in during a reasonable time before admission:

1. Drug-related criminal activity;

2. Violent criminal activity;

3. Other criminal activity which may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or

4. Other criminal activity which may threaten the health safety of the owner, property management staff, or persons performing a contract administration function or responsibility on behalf of the PCDC (including a PCDC employee or a PCDC contractor, subcontractor or agent).

The PCDC may prohibit admission to the program or propose termination of rental assistance if the PCDC determines that it has reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

The PCDC must prohibit admission to the program of an applicant for three years from the date of eviction if a household member has been evicted from Federally assisted housing for drug-related criminal activity. However, the PCDC may admit the household if the PCDC determines:

1. That the evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program; or

2. That the circumstances leading to the eviction no longer exist (for example, the criminal household member has died or is imprisoned).

Applicants will be denied assistance if they have been evicted from a unit due to violent criminal activity or convicted of a drug related crime within the last five years prior to the date of the certification interview.

Participants may be terminated who have been evicted from a unit, arrested and or convicted due to drug-related or violent criminal activity, and whose activities interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

The PCDC must immediately terminate assistance for a family under the program if the PCDC determines that any member of the household has ever been convicted of drug-related criminal activity for manufacture or production methamphetamine on the premises of Federally assisted housing.

If the family violates the lease for drug-related or violent criminal activity, the PCDC will terminate assistance.

The PCDC will deny or terminate assistance if any member of the household or unauthorized member is subject to a lifetime registration requirement under a State sex offender registration program. The rental assistance will terminate effective the date the unauthorized member moved into the assisted unit. The owner will be given proper notification of termination of the HAP Contract and the family notified of the proposed termination of rental assistance in accordance with the procedures in this Chapter.

In appropriate cases, the PCDC may permit the family to continue receiving assistance provided that family members determined to have engaged in the illegal activities will not reside in the unit. If the violating member is a minor, the PCDC may consider individual circumstances.

Confidentiality of Criminal Records

The PCDC will ensure that criminal records received are maintained confidentially, not misused or improperly disseminated.

Evidence of Criminal Activity

The PCDC may terminate assistance for criminal activity by a household member as authorized in 24 CFR 982.553 if the PCDC determines, based on a preponderance of the evidence, that the household member has engaged in the activity, regardless of whether the household member has been arrested or convicted for such activity.

Use of Criminal Record [24 CFR 982.553(d),(1),(2)]

If the PCDC proposes to deny admission for criminal activity as shown by a criminal record, the PCDC must provide the subject of the record and the applicant with a copy of the criminal record. The PCDC must give the family an opportunity to dispute the accuracy and relevance of that record in the informal review process in accordance with 24 CFR 982.554.

If the PCDC proposes to terminate assistance for criminal activity as shown by a criminal record, the PCDC must notify the family of the proposed action to be based on the information and must provide the subject of the record and the family with a copy of the criminal record. The PCDC must give the family an opportunity to dispute the accuracy and relevance of that record in accordance with 24 CFR 982.555.

Required Evidence [24 CFR 982.553(c)]

1. Preponderance of evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred.

2. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

3. Credible evidence may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence, can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants.

4. The PCDC will pursue fact-finding efforts as needed to obtain credible evidence.

Notice of Proposed Termination of Assistance [24 CFR 982.555(c),(2),(i),(ii),(iii)]

In any cases where the PCDC decides to propose termination of assistance to the family, the PCDC will give the family a written notice which contains:

1. A brief statement of reasons for the decision.

2. The effective date of the proposed termination; and

3. Informs the family that if they disagree with the PCDC's decision, an informal hearing may be requested by the family by the given deadline. See Chapter 18 of this Administrative Plan for informal hearing procedures.

The PCDC will simultaneously provide written notice of the HAP contract termination to the owner so that it will coincide with the termination of rental assistance. The notice to the owner will not include any details regarding the reason for termination of assistance.

C. PROCEDURES FOR NON-CITIZENS [24 CFR 5.514(b),(1),(i),(ii),(iii),(iv) and 5.516, 5.518]

Delay, Denial, Reduction or Termination of Assistance

Assistance to an applicant or participant family shall not be delayed, denied, reduced, or terminated on the basis of ineligible immigration status of a family member if:

1. The primary and secondary verification of any immigration documents that were timely submitted has not been completed.

2. The family member for whom required evidence has not been submitted has moved from the assisted dwelling unit.

3. The family member who is determined not to be in an eligible immigration status following INS verification has moved from the assisted dwelling unit.

4. The INS appeals process under 24 CFR 5.514(e) has not been concluded.

5. Assistance is prorated in accordance with 24 CFR 5.520.

6. Assistance for a mixed family is continued in accordance with 24 CFR 5.516 and 5.518; or

7. Deferral of termination of assistance is granted in accordance with 24 CFR 5.516 and 5.518.

Participant families in which all members are neither U.S. citizens nor eligible immigrant must have their assistance terminated. They must be given an opportunity for an informal review.

Timeframe for Submission of Required Documents

Original, acceptable documents as specified by HUD must be submitted and photocopied by the PCDC at the following times:

- For applicants, at eligibility determination;

- Whenever a family applies for admission to a HUD program, unless the family already has submitted evidence to the PCDC.

- If the family is continuously assisted, documentation needs to be submitted only one time in the same program.

Extensions, in writing, for a specific period of time shall be granted if a family member:

- Submits required declaration certifying that any person for whom evidence has not been submitted is a noncitizen with eligible immigration status.

- Certifies that evidence needed is temporarily unavailable and additional time is needed; and

- Certifies that prompt and diligent efforts will be made to obtain evidence

If evidence is not provided within time specified, the PCDC shall proceed to:

- Deny, prorate or terminate assistance.

Assistance for Mixed Families

A mixed family may continue to receive full program assistance if:

- The family was receiving assistance under a Section 214 covered program on June 19, 1995.

- The family's head of household or spouse has eligible immigration status as described in Sec 24 CFR 5.506 ; and

- The family does not include any person (who does not have eligible immigration status) other than the head of the household, any spouse of the head of the household, any parents of the head of the household, any parents of the spouse, or any children of the head of household or spouse.

False or Incomplete Information

An investigation will be conducted when the PCDC has clear, concrete, or substantial documentation (such as a permanent resident card or information from another agency) that contradicts the declaration of citizenship made by an applicant or participant family. The family will be given an opportunity to present relevant information.

If the individual is unable to verify their citizenship, the PCDC may give the individual an opportunity to provide a new declaration as an eligible immigrant or to elect not to contend their status. The PCDC will then verify eligible status, deny, terminate, or prorate as applicable.

The PCDC will deny or terminate assistance based on the submission of false information or misrepresentations.

Procedure for Denial or Termination [24 CFR 5.514,(2),(d),(1),(2),(3),(4),(5),(6)]

If the family (or any member) claimed eligible immigrant status and the INS primary and secondary verifications failed to document the status, the family may make an appeal to the INS and request a hearing with the PCDC, either after the INS appeal or in lieu of the INS appeal.

After the PCDC has made a determination of ineligibility, the family will be notified of the determination, the reasons, and informed of the option for prorated assistance, if applicable.

The notice of denial or termination of assistance shall advise the family:

1. That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.

2. That the family may be eligible for proration of assistance as provided under 24 CFR 5.520.

3. In the case of a family, the criteria and procedures for obtaining relief under the provisions for preservation of families can be found in 24 CFR 5.514 and 5.518.

4. That the family has a right to request an appeal to the INS of the results of secondary verification of immigration status, and to submit additional documentation or a written explanation in support of the appeal in accordance with the procedures in 24 CFR 5.514(e).

5. That the family has a right to request an informal hearing with the responsible entity either upon completion of the INS appeal or in lieu of the INS appeal as provided in 24 CFR 5.514(f).

6. For applicants, the notice shall advise that assistance may not be delayed until the conclusion of the INS appeal process, but assistance may be delayed during the pendency of the informal hearing process.

D. AUTOMATIC TERMINATION OF RENTAL ASSISTANCE CONTRACTS [24 CFR 982.455]

The HAP Contract terminates automatically 180 calendar days after the last housing assistance payment to the owner.

The HAP Contract termination will be withdrawn if during the 180 calendar days the housing assistance payment is resumed due to reported family changes in family circumstances or contract rent increase.

The family's participation in the HCVP will end at the end of 180 calendar days if the housing assistance payment remains at $0 and the family opts to remain in occupancy of the unit. However, the family may move with continued rental assistance if determined eligible and if a housing assistance payment would be generated.

The family's request for a move with continued rental assistance must be submitted, in writing, to the PCDC within 60 days of the HAP Contract termination date.

E. OPTION NOT TO TERMINATE FOR MISREPRESENTATION [24 CFR 982.551, 982.552(c),(vii)]

If the family has misrepresented any facts that caused the PCDC to overpay rental assistance, the PCDC, at its discretion, may offer a family the opportunity to enter into a repayment agreement or require the family to pay the debt in full.

F. MISREPRESENTATION IN COLLUSION WITH OWNER [24 CFR 982.551, 982.552(c)]

If the family willingly and knowingly commits fraud or is involved in any other illegal scheme with the owner, the PCDC will deny or terminate assistance. In making this determination, the PCDC will carefully consider the possibility of overt or implied intimidation of the family by the owner and the family's understanding of the events.

G. MISSED APPOINTMENTS AND DEADLINES [24 CFR 982.551, 982.552(a)]

It is a family obligation to supply information, documentation, and certification as needed for the PCDC to fulfill its responsibilities. The PCDC schedules appointments and sets deadlines in order to obtain the required information. The Family Obligations also require that the family allow the PCDC to conduct an inspection of the unit and appointments are made for this purpose.

An applicant or participant family who fails to keep the final appointment or to supply information required by a deadline may be sent a notice of denial and/or proposed termination of assistance for failure to provide required information, keep scheduled appointments, and/or failure to allow the PCDC to inspect the unit.

Appointments will be scheduled and time requirements will be imposed for the following events and circumstances:

1. Eligibility for Admissions.
2. Verification Procedures.

3. Housing Choice Voucher Issuance and Briefings.
4. Housing Quality Standards Inspections.
5. Annual and Interim Re-examinations.
6. Informal Reviews and Hearings.

Acceptable reasons for missing appointments or failing to provide information by deadlines are:

7. Medical Emergency.
8. Family Emergency.

Procedure when Appointments are Missed or Information not Provided

For most purposes in this Plan, the family will be given two opportunities before being issued a notice of proposed termination for breach of a family obligation or denial of rental assistance.

The PCDC may rescind the proposed termination of rental assistance after the notice has been issued if the family offers to correct the breach within the time allowed to request of an informal hearing, as long as a history of non-compliance does not exist.

However, the PCDC will send a warning letter to the family reminding them that failure to abide by the family obligations will be considered a repeat violation and grounds for termination of rental assistance.

CHAPTER 16

OWNER DISAPPROVAL AND RESTRICTION

INTRODUCTION

It is the policy of the Pasadena Community Development Commission (PCDC) to encourage and recruit owners to participate in the HCVP. The PCDC provides owners with prompt and professional service in order to maintain an adequate supply of available housing throughout the jurisdiction of the PCDC. The regulations define when the PCDC must disallow an owner's participation in the program, as well as provide the PCDC discretion to disapprove or otherwise restrict the participation of owners in certain categories. This Chapter describes the criteria for owner disapproval and the various penalties for owner violations.

A. DISAPPROVAL OF OWNER [24 CFR 982.306, 982.54 (d)(8)]

Nothing in this rule is intended to give any owner any right to participate in the program. For purposes of this section, "owner" includes a principal or other interested party.

The PCDC will disapprove an owner for the following reasons:

1. HUD or other agency directly related has informed the PCDC that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

2. HUD has informed the PCDC that the Federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other Federal equal opportunity requirements and such action is pending.

3. HUD has informed the PCDC that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other Federal equal opportunity requirements.

4. The owner has violated obligations under a Housing Assistance Payments (HAP) Contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).

5. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program.

6. The owner has engaged in any drug-related criminal activity or any violent criminal activity.

7. The owner has a history or practice of non-compliance with HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with Project-Based Section 8 Assistance or leased under any other Federal housing program.

8. The owner has not paid State or local real estate taxes, fines or assessments.

9. Property is in foreclosure.

10. The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other Federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that:

    (i) Threatens the right to peaceful enjoyment of the premises by other residents;

    (ii) Threatens the health or safety of other residents, of employees of the PCDC, or of owner employees or other persons engaged in management of the housing;

    (iii) Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises.

11. The PCDC must not approve a unit if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, or related by marriage, unless the family requests reasonable accommodation at the initial occupancy and the PCDC determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities.

    If the relationship was not initially disclosed to the PCDC, the total amount of HAP paid from the effective date of the HAP contract must be reimbursed to the PCDC. The family and owner will be held responsible for the full overpayment to the PCDC. Additionally, the family will be subject to proposed termination of rental assistance. (see Chapters 15 and 17 of this Plan.)

B. OWNER RESTRICTIONS AND PENALTIES [24 CFR 982.453]

If an owner commits fraud or abuse, or is guilty of frequent or serious contract violations, the PCDC will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. The PCDC may also terminate some or all HAP Contracts with the owner.

Before imposing any penalty against an owner, the PCDC will review all relevant factors pertaining to the case, and will consider such factors as the owner's record of compliance and the number of violations.

The PCDC guidelines for restrictions are contained in the table below. The items below are described in HUD regulations. HUD debarments and fair housing violations require terminations, but the other categories of contract breach are discretionary with regard to possible PCDC remedies. The PCDC may utilize items such as written warnings, abatements, reductions and/or terminations. In some cases the PCDC may terminate only the contract(s) which has been violated.

DISAPPROVAL OF OWNERS/PARTICIPATION RESTRICTIONS

BREACH	PENALTY
HUD notification of owner debarment/suspension.	Termination
HUD notification of violation of fair housing/Federal equal opportunity.	Termination
Violation of HAP Contract obligations.	Termination
Owner fraud, bribery or other corrupt act in Federal housing program.	Termination
Owner engaged in drug trafficking.	Termination
History of noncompliance with HQS.	Abatement
History of renting units below code requirements.	Abatement
State/local real estate taxes, fines or assessments.	Abatement

C. OTHER REMEDIES FOR OWNER VIOLATIONS

Overpayments

If the owner has been overpaid as a result of fraud, misrepresentation or violation of the HAP Contract, the PCDC may terminate the HAP Contract and arrange for restitution to the PCDC and/or family as appropriate.

The PCDC will make every effort to recover any overpayments made as a result of owner fraud or abuse. Payments otherwise due to the owner may be debited in order to repay the PCDC or the family as applicable.

CHAPTER 17

PROPERTY OWNER OR FAMILY DEBTS TO THE PCDC

INTRODUCTION

This Chapter describes the PCDC's policies for the recovery of monies which have been overpaid for families and owners. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is the PCDC's policy to meet the informational needs of owners and families, and to communicate the program rules in order to avoid owner and family debts. Before a debt is assessed against a family or owner, the file must contain documentation to support the PCDC's claim that the debt is owed. The file must further contain written documentation of the method of calculation in a clear format for review by the owner, the family or other interested parties.

When families or owners owe money to the PCDC, the PCDC will make every effort to collect all debt owed from the date the overpayment occurred. The PCDC will use a variety of collection tools to recover debts, including, but not limited to:

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

A. REPAYMENT AGREEMENT FOR FAMILIES [24 CFR 982.552 (c) v, vi. vii]

A Repayment Agreement is a document entered into between the PCDC and a person who owes a debt to the PCDC. It contains details regarding the nature of the debt, the terms of repayment, any special provisions of the agreement, and the remedies available to the PCDC upon default of the agreement.

The City of Pasadena Finance Department will be responsible for collecting amounts owed by the family, for claims paid and for monitoring the repayment.

The minimum amount for which the PCDC will enter into a Repayment Agreement with a family is $500. Amounts less than $500 must be paid in full within 30 days of notification. The maximum amount the PCDC will enter into a Repayment Agreement is $5,000. Any amount exceeding $5,000 must be paid in full within 60 days of notification.

The minimum initial payment for any Repayment Agreement is 10% of the beginning balance of the repayment amount.

The minimum monthly installment must be at least $40 during the term of the Repayment Agreement.

Families will be provided no more than 30 days from the date of the PCDC repayment notice to enter into the Repayment Agreement and provide the required initial payment.

Late Payments

A payment will be considered to be in arrears if the City of Pasadena Finance Department has not received the payment by the close of the business day on which the payment is due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

If a family's Repayment Agreement is in arrears, the City of Pasadena Finance Department will forward a monthly written report on all delinquent accounts to the PCDC.

The City of Pasadena Finance Department will:

1. Require the family to pay the total outstanding balance of the repayment amount in full within 15 days.

2. Pursue civil collection of the balance due.

If a family requests a move to another unit and has a Repayment Agreement, the family will not be permitted to move to another unit within the PCDC's jurisdiction. Request to move or for portability will be denied unless the family pays the balance in full.

If a family requests to move to another unit and is in arrears on a Repayment Agreement, the family will be required to pay the outstanding balance of the Repayment Agreement in full within 30 days. If the family complies, a move may be permitted.

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

Repayment Schedule for Monies Owed to the PCDC

Initial Payment Due	Amount Owed	Maximum Term (Up To)
10% of Total Amount	$500 - $2,500	36 months
10% of Total Amount	$2,501 - $3,500	48 months
10% of Total Amount	$3,501 - $5,000	60 months

* A minimum monthly installment of $40 must be paid during the term of the Repayment Agreement.

The actual terms of the Repayment Agreement (i.e., initial payment, monthly payment and length of repayment term, etc.) will be determined based on PCDC's repayment policies and procedures.

There are some circumstances in which the PCDC will not enter into a Repayment Agreement. They are:

1. If a family already has a Repayment Agreement in place.

2. If the PCDC determines that the family committed program fraud other than untimely reporting of increases in income.

3. If a family has already paid off a previous repayment agreement.

The family will be required to pay the total overpayment amount in full within 30 days. Failure to pay in full will result in the proposed termination of rental assistance. However, the case will be referred to the City of Pasadena Finance Department for collection of the total overpayment owed to the PCDC.

Guidelines for Repayment Agreements

The Repayment Agreement will be executed between the PCDC and the head of household, spouse and any other adult household member responsible for the

overpayment.

Monthly payments may be decreased in cases of an extreme hardship. The family may request a decrease in monthly payments with supporting documentation of extreme hardship and the approval of the Housing Assistance Officer. If the request is approved, the PCDC may amend the term of the Repayment Agreement.

If the request is approved, the family will be required to submit in writing within 15 days supporting documents when their circumstances change. If the hardship no longer exists, the original terms of the Repayment Agreement will be re-instated.

Additional Monies Owed

If the family has a Repayment Agreement in place and incurs an additional debt to the PCDC, the PCDC will not enter into an additional or amended Repayment Agreement, and the family will be required to pay any new debts in full within 30 days of the date of notification to the family. The family will also be subject to termination of housing assistance for repeated violation of the Obligations of the Family.

B. DEBTS DUE TO FRAUD/NON-REPORTING OF INFORMATION

HUD's definition of program fraud and abuse is a single act or pattern of actions that constitutes false statement(s), omission, or concealment of fact(s), made with the intent to deceive or mislead, in order to obtain rental assistance thru fraudulent means.

Family Error/Late Reporting

Families who owe money to the PCDC due to the family's failure to report increases in income will be required to pay the overpaid rental assistance in accordance with the guidelines in the repayment section of this Chapter.

Program Fraud

Housing assistance will be terminated for a family who owes money to the PCDC due to program fraud. The PCDC will attempt to collect the overpaid rental assistance from the family. If the family fails to pay, the matter will be referred to the City of Pasadena Finance Department and the family will be required to repay the amount in accordance with the appropriate civil collection procedures.

If a family owes an amount which equals or exceeds $5,000 as a result of program fraud, other than untimely reporting of increase of income, the case may be referred to the Office of the Inspector General for investigation and possible criminal prosecution.

C. OWNER DEBTS TO THE PCDC

If the PCDC determines that an owner has retained housing assistance payments the owner is not entitled to, the PCDC may reclaim the amounts from future housing assistance payments owed the owner for any units under a HAP Contract. If future housing assistance payments are insufficient to reclaim the amounts owed, the PCDC will:

1. Require the owner to pay the amount in full within 30 days.

2. Pursue collections through the local court system.

3. Restrict the owner from future participation.

4. Attach a lien on property.

5. Refer case to the Office of Inspector General for investigation in case of fraud.

D. WRITING OFF DEBTS

Debts will be written off if:

1. The debtor is the participant and is deceased.

2. The debtor is confined to an institution indefinitely.

CHAPTER 18

COMPLAINTS AND APPEALS

INTRODUCTION

The informal review and informal hearing requirements defined in HUD regulations are applicable to applicants and participating families who disagree with an action, decision, or inaction of the PCDC. Families can exercise their right to an informal hearing, informal review, and/or local preference denial meetings when the family disputes a PCDC decision. This Chapter describes the policies, procedures and standards to be used when families disagree with a PCDC decision. It is the policy of the PCDC to ensure that all families have the benefit of all protections due to them under the law, HUD regulations and PCDC policies.

The PCDC informal review and informal hearing procedures will be provided to families in their briefing packet. Additional copies of these procedures are available to the families upon request.

A. COMPLAINTS TO THE PCDC

The PCDC will respond promptly to complaints from families, owners, City of Pasadena employees, and members of the general public. All complaints will be documented and referred to the appropriate PCDC staff. The PCDC will require that complaints, other than HQS violations, be put in writing. HQS complaints may be reported by telephone.

The PCDC may refer cases to the HUD Office of Inspector General for further investigation, enforcement of collection of overpaid rental assistance and/or prosecution.

Categories of Complaints

1. Complaints from families: If a family disagrees with an action or inaction of the PCDC or owner.

2. Complaints from owners: If an owner disagrees with an action or inaction of the PCDC or family.

3. Complaints from City of Pasadena staff: If a staff person reports an owner or family either violating or not complying with program rules.

4. Complaints from the general public: Complaints or referrals from persons in the community in regards to the PCDC, a family or an owner.

The following exhibits are samples of complaints received by the PCDC.

Unauthorized Persons

The PCDC will respond to reports of unauthorized persons, violations of the Family Obligations, or any other violations of program rules, and conduct an investigation of the alleged violations. The steps taken will depend upon the nature of the allegations and may include the items listed below:

1. Discuss the nature of the complaint with the housing inspector for feedback.

2. Request a special inspection. Housing inspector will take pictures and verify household composition, interview any persons at the assisted unit at the time the inspection is conducted, and request names of all persons present in the assisted unit.

3. Housing inspector will observe and report findings which may indicate program abuse or fraud, such as unauthorized persons residing in the assisted unit.

4. Communicate with the owner, manager and neighbors to gather information about the alleged violation (see Chapter 23 of this Plan).

5. Schedule an appointment with the family and unauthorized persons to discuss findings of the special inspection.

6. Evaluate all information and documents submitted.

7. Make a decision and prepare letter to the family regarding the results of the investigation or action to be taken, if any.

Unreported Income

1. Discuss the nature of the complaint with the housing inspector for feedback.

2. Schedule a special inspection. Housing inspector is to report evidence of self-employment, changes in lifestyle and take pictures. Housing inspector to submit evidence supporting the alleged program violation.

3. Pull the EIV report to verify possible discrepancies and request third-party verifications if necessary.

4. Communicate with the owner, manager and neighbors to gather information about the alleged violation (see Chapter 23 of this Plan).

5. Contact the City of Pasadena Municipal Services, Business License Division to see if a business license exists.

6. Evaluate the evidence collected and schedule an office appointment with the family to discuss the results of the special inspection.

7. Make a decision and prepare letter to the family regarding the results of the investigation or action to be taken, if any.

Complaints of Drug and Criminal Activity

1. Contact the City of Pasadena Prosecutor's Office by e-mail to request reports of possible criminal/drug activity taking place in the assisted unit.

2. Evaluate and gather evidence collected, and schedule an appointment with the family to discuss results of the report from the City Prosecutor's Office.

3. Make a decision and prepare a letter to the family regarding the results of the investigation or action to be taken, if any.

Delinquency of Tenant Rent to Owner

1. Request a written statement from the owner verifying status of the rent.

2. Schedule an appointment to review Family Obligations with the family.

3. If rent is delinquent, the family will be given a deadline to pay rent. Mail confirmation letter requesting family to become current with the rent by a given deadline. The family will be advised of possible termination of rental assistance if evicted for non-payment of rent.

Special Inspection Due to Alleged Violations of HQS

Refer to Inspection Unit to schedule special inspection (see Chapter 10 of this Plan).

In addition, investigation of participating families will be initiated under specific circumstances (see Chapter 23 of this Plan).

B. INFORMAL REVIEW PROCEDURES [24 CFR 982.54(d)(12), 24 CFR 982.554]

Informal reviews are provided for applicants who are denied admission to the program. When the PCDC determines that an applicant is ineligible for the program, the family must be notified of their ineligibility in writing. The notice must contain:

1. A brief statement of reasons for the PCDC decision;

2. The procedure for requesting an informal review if the applicant does not agree with the PCDC decision; and

3. The deadline to request an informal review.

The PCDC must give applicants an opportunity for an informal review of the PCDC decision denying assistance to the applicant.

The PCDC is not required to provide the applicant an opportunity for an informal review for any of the following matters:

1. Discretionary administrative determinations by the PCDC.

2. General policy issues or class grievances.

3. A determination of the family unit size under the PCDC subsidy standards.

4. A PCDC determination not to approve an extension or suspension of a voucher, certificate, or HOME coupon term.

5. A PCDC determination not to grant approval of the tenancy.

6. A PCDC determination that a unit selected by the applicant is not in compliance with HQS.

7. A PCDC determination that the unit is not in accordance with HQS because of the family size or composition.

Decisions related to restrictions on assistance to non-citizens always requires an informal hearing, regardless of whether the family is an applicant or a participant. (The informal hearing provisions for the denial of assistance on the basis of ineligible immigration status are contained in 24 CFR Part 5.)

immigration status are contained in 24 CFR Part 5.)

When a request for an informal review is not received by the deadline, the PCDC will not provide an applicant an informal review.

C. PCDC INFORMAL REVIEW PROCEDURES

A request for an informal review must be received by the PCDC, in writing, no later than 15 days from the date of the PCDC's notification of denial of assistance. The informal review will be scheduled within 30 days from the date the request is received.

The informal review may be conducted by any person or persons designated by the PCDC, other than a person who made or approved the decision under review or subordinate of this person.

The applicant will be given the opportunity to present oral or written objections to the PCDC's decision.

The PCDC may verify the evidence submitted at the informal review by the applicant before a decision of the informal review is made.

The PCDC will inform the applicant, in writing, of the final decision within 30 days after the informal review, including a brief statement of the reasons for the final decision.

D. PCDC LOCAL PREFERENCE DENIALS

When the PCDC denies a local preference, the applicant family will be notified in writing of the specific reason for the denial, and offered the opportunity for an informal review with PCDC staff to discuss the reason(s) for the denial and to dispute the PCDC's decision.

The person who conducts the informal review must be an employee of the PCDC.

The PCDC will inform the applicant family, in writing, of the final decision within 30 days after the informal review, including a brief statement of the reasons for the final decision.

E. INFORMAL HEARING PROCEDURES [24 CFR 982.555, 982.54(d)(13)]

The PCDC must give a participant family an opportunity for an informal hearing to consider whether the following PCDC decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations and PCDC

policies:

1. A determination of the family's annual or adjusted income and the use of such income to compute the housing assistance payment.

2. A determination of the appropriate utility allowance (if any) used for tenant-paid utilities from the PCDC utility allowance schedule.

3. A determination of the family unit size under PCDC subsidy standards.

4. A determination that a certificate family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the PCDC subsidy standards, or the PCDC determination to deny the family's request for an exception from the standards.

5. A determination to terminate assistance for a participant family because of the family's action or failure to act (see 24 CFR 982.552).

6. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under PCDC policy and HUD rules.

For cases described above, with the exception of numbers two and three, the PCDC must give the opportunity for an informal hearing before the PCDC terminates housing assistance payments for the family under an outstanding HAP Contract.

When the PCDC makes a decision regarding eligibility and/or the amount of assistance, the participant family must be notified in writing. The PCDC will give the participant family prompt notice of such determinations, which may include:

1. The proposed action or decision of the PCDC;

2. The date the proposed action or decision will take place;

3. The family's right to an explanation of the basis for the PCDC's decision;

4. The procedures for requesting an informal hearing if the family disputes the action or decision;

5. The deadline for the family to request an informal hearing;

6. The name of the person to whom the informal hearing request should be

addressed to; and

7. A copy of the PCDC hearing procedures.

The PCDC is not required to provide a participant family an opportunity for an informal hearing for any of the following:

1. Discretionary administrative determinations by the PCDC.

2. General policy issues or class grievances.

3. Establishment of the PCDC schedule of utility allowances for families on the program.

4. A PCDC determination not to approve an extension or suspension of a voucher, certificate, or HOME coupon term.

5. A PCDC determination not to approve a unit or tenancy.

6. A PCDC determination that an assisted unit is not in compliance with HQS. (However, the PCDC must provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of HQS caused by the family as described in 24 CFR 982.551(C).)

7. A PCDC determination that the unit is not in accordance with HQS because of the family size.

8. A determination by the PCDC to exercise or not exercise any right or remedy against the owner under a HAP Contract.

Notification of Hearing

Upon receipt of the request for an informal hearing, the PCDC will notify the participant family, in writing, of the scheduled informal hearing. The notice will include:

1. The date and time of the informal hearing.

2. The location where the informal hearing will be held.

3. The family's right to present evidence, witnesses, legal or other representation at the family's expense. The family must notify the PCDC within five days from the date of the notification of their decision to have legal representation.

4. The family's right to examine before the PCDC hearing any PCDC documents that are directly relevant to the hearing. The family is allowed to copy any such document at the family's expense. If the PCDC does not make the document available for examination on the request of the family, the PCDC may not rely on the document at the hearing. Such documents or evidence must be available to or received by the family no later than 10 days before the informal hearing date.

5. The right by the PCDC to examine at the PCDC's office, before the informal hearing, any family documents that are directly relevant to the hearing. The PCDC must be allowed to copy any such document at the PCDC's expense. If the family does not make the document available for examination on request of the PCDC, the family may not rely on the document at the informal hearing. Such documents or evidence must be received by the PCDC no later than 10 days before the informal hearing date.

6. Limited English proficient (LEP) families may have an interpreter present. If the family requires the PCDC's assistance in obtaining an interpreter, the family must submit this request to the PCDC, five days prior to the informal hearing date.

PCDC Informal Hearing Procedures

A request for an informal hearing must be received by the PCDC, in writing, no later than 15 days from the date of the PCDC's notification of termination of assistance. The informal hearing will be scheduled within 15 days from the date the request is received.

When the request for an informal hearing is not received by the deadline, the PCDC will not provide a participant family an informal hearing.

After an informal hearing date is agreed to, the family may request to reschedule only upon "good cause," which is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

The informal hearing will be canceled by the PCDC if the family is not present 15 minutes after the informal hearing scheduled time. The PCDC may schedule a final hearing only if the family can provide "good cause." If a participant family does not appear at a scheduled informal hearing and has not rescheduled the hearing in advance, the family must contact the PCDC within 48 hours, excluding weekends and holidays. The PCDC will reschedule the informal hearing only if the family can provide "good cause" for the failure to appear. No other hearing will be scheduled and the

PCDC's decision to terminate will stand.

Families have the right to:

1. Present written or oral objections to the PCDC's determination.

2. Examine the documents in the file which are directly relevant to the basis for the PCDC's action, and all documents submitted to the hearing officer.

3. Copy any relevant documents at their expense.

4. Present any information or witnesses pertinent to the issue of the informal hearing.

5. Request that PCDC staff be available or present at the informal hearing to answer questions pertinent to the case; and

6. Be represented by legal counsel, advocate, or other designated representative at their own expense.

If the family requests copies of documents relevant to the hearing, the PCDC will make the copies for the family and assess a charge of $.15 per copy. In no case will the family or their representative be allowed to remove the file from the PCDC office.

In addition to other rights contained in this Chapter, the PCDC has a right to:

1. Present evidence and any information pertinent to the issue of the informal hearing.

2. Be notified if the family intends to be represented by legal counsel, advocate, or another party.

3. Examine and copy any documents to be used by the family prior to the hearing.

4. Have its attorney present; and

5. Have staff persons and other witnesses familiar with the case present.

The informal hearing may be conducted by any person or persons designated by the PCDC, other than a person who made or approved the decision under review or a subordinate of this person. The PCDC appoints hearing officers who are knowledgeable of the Rental Assistance Programs and experienced in dispute

resolution, mediation and arbitration.

The informal hearing shall concern only the issues for which the family has received the opportunity for a hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

No documents may be presented which have not been provided to the other party before the hearing, if requested by the other party. "Documents" includes records and regulations.

The hearing officer may ask the family for additional information and/or adjourn the hearing in order to reconvene at a later date before reaching a decision. The submission of additional information may not exceed 15 days from the date of the informal hearing.

If the family misses an appointment or deadline established by the hearing officer, the decision of the PCDC shall become final and another informal hearing will not be granted.

The hearing officer will determine whether the action, inaction, or decision of the PCDC is in accordance with HUD regulations and this Plan based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the family will be based on a preponderance of the evidence presented at the informal hearing.

A notice of the decision made by the hearing officer will be provided, in writing, to the PCDC within 30 days of the informal hearing and shall include:

1. A clear summary of the decision and reason(s) for the decision; and

2. If the decision involves money owed.

The PCDC is not bound by the hearing officer's decision which:

1. Concern matters in which the PCDC is not required to provide an opportunity for an informal hearing, or that otherwise exceeds the authority of the person conducting the hearing under the PCDC hearing procedures.

2. Conflict with or contradict HUD regulations or requirements, or otherwise contradict Federal, State, or local law.

The PCDC will notify the family, in writing, within 15 working days of receipt of the hearing officer's decision. If the PCDC determines that it is not bound by the hearing officer's decision, the PCDC will notify the family of the determination and of the reasons for the determination.

F. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS" [24 CFR, Part 5, Subpart E]

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the Immigration Naturalization Services (INS) appeal.

Assistance to a family may not be terminated or denied while the PCDC informal hearing is pending, but assistance to an applicant may be delayed pending the PCDC review.

INS Determination of Ineligibility

If a family member claims to be an eligible immigrant, and the INS Systematic Alien Verification for Entitlements (SAVE) system and manual search do not verify the claim, the PCDC notifies the applicant or participant, within 10 days in writing, of their right to appeal to the INS within 30 days or to request an informal hearing with the PCDC, either in lieu of or subsequent to the INS appeal.

If the family appeals to the INS, they must give the PCDC a copy of the appeal and proof of mailing or the PCDC may proceed to deny or terminate. The time period to request an appeal may be extended by the PCDC for "good cause."

The request for a PCDC informal hearing must be made within 15 days of receipt of the notice offering the informal hearing or, if an appeal was made to the INS, within 15 days of receipt of that notice.

After receipt of a request for an informal hearing, the informal hearing is conducted as described in Section E of this Chapter for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members, the PCDC will:

1. Deny the applicant family.

2. Defer termination if the family is a participant and qualifies for deferral.

3. Terminate the participant if the family does not qualify for deferral.

If there are eligible members in the family, the PCDC will offer to prorate assistance or give the family the option to remove the ineligible members.

All other complaints related to eligible citizenship/immigration status:

1. If any family member fails to provide documentation or certification as required by the regulations, that member is treated as ineligible. If all family members fail to provide documentation or certification, the family will be denied or terminated for failure to provide documentation or certification.

2. Participants whose termination is carried out after temporary deferral may not request an informal hearing since they had an opportunity for a hearing prior to the termination.

3. Participants whose assistance is pro-rated (either based on their statement that some members are ineligible, or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to an informal hearing based on the right to a hearing regarding determinations of tenant rent and total tenant payment.

4. Families denied or terminated for fraud in connection with the non-citizens rule are entitled to an informal review or informal hearing in the same way as terminations for any other type of fraud.

G. MITIGATING CIRCUMSTANCES FOR APPLICANTS/PARTICIPANTS WITH DISABILITIES

When applicants are denied placement on the waiting list or the PCDC is terminating assistance for a participant family, the PCDC may consider all relevant circumstances, such as the seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstances related to the disability of a family member, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.

CHAPTER 19

PROJECT-BASED VOUCHER PROGRAM

INTRODUCTION

The Pasadena Community Development Commission (PCDC) has elected to provide rental assistance under the Project Based Voucher (PBV) Program to encourage property owners of existing housing, newly constructed housing or rehabilitated housing to make these properties available to low-income families at rents within the HCVP Payments Standards. This will ensure that the City maintains an affordable rental housing stock that is at risk of becoming unaffordable for low-income families. The PBVP provided by the PCDC may be used only for units within the City of Pasadena.

The provision of assistance that is attached to units as project-based assistance is different in its application than that of tenant-based assistance typically provided by the HCVP. Under project-based assistance, the PCDC enters into a HAP Contract with the owner to make housing assistance payments during the contract term for a specific unit(s) that is leased and occupied by an eligible family.

The PCDC PBV program is funded with a portion of appropriated funding (budget authority) available under the PCDC's voucher annual contributions contract (ACC). The PCDC may provide up to 20% of the amount of the budget authority allocated for the PBV program. However, only 25% of the units in a building maybe project based with the exception of single-family buildings and "excepted units" in a multifamily building.

"Excepted Units" means units in a multifamily building that are specifically made available for qualifying families who are elderly, disabled, or a family receiving supportive services. There is no special or additional funding for project based vouchers and HUD does not reserve additional units for project based vouchers. The PCDC has the discretion whether to operate a project-based voucher program.

A. HUD SUBMISSION

The PCDC may attach voucher assistance to PBV units in accordance with 24 CFR 983 if:

1. The number of units to be project-based does not exceed the applicable percent limit.

2. The number of units to become project-based is not under a tenant-based or project-based HAP Contract or otherwise committed (e.g., vouchers issued to families searching for housing or units under an Agreement).

Before implementing PBVP, the PCDC must submit the following information to the HUD field office for review:

1. The total number of units for which the PCDC is requesting approval to attach assistance.

2. The number of budgeted voucher units.

3. The number of voucher units available to be project-based; e.g., the number of budgeted voucher units that are not under a tenant-based or project-based HAP Contract or otherwise committed (e.g., vouchers issued to families searching for housing or units under an Agreement).

The PCDC must ensure that the amount of assistance that is attached to units is within the amounts available under the ACC.

B. OWNER APPLICATION SUBMISSION..[24 CFR 983.51]

1. The PCDC has adopted a written policy establishing competitive procedures for owners' submission of applications. This written policy identifies and specifies the weight to be given to the factors that will be used to rank and select applications. These factors are as follows:

Experience/Administrative Capacity:	20 Points
Need:	20 Points
Mixed Income:	20 Points
Financial/Marketability:	20 Points
Community Impact:	15 Points
Equal Opportunity Employment Practices:	5 Points

2. The PCDC will select units to which assistance is to be attached. These units must be selected in accordance with the PCDC's selection policy and 24 CFR 983.51.

3. The PCDC will advertise in a newspaper of general circulation that the PCDC will accept applications for assistance under the PBVP for specific projects. The advertisement must be approved by the HUD field office and may not be published until after HUD's authorization to implement a PBVP or ACC execution.

The advertisement must: be published once a week for two to three consecutive weeks; specify an application deadline of at least 30 days after the date the advertisement is last published; specify the number of units the PCDC estimates it will be able to assist under the funding the PCDC is making available for this purpose; and state that only applications submitted in response to the advertisement will be considered.

4. The owner's application submittal must contain the following:

   a. A description of the housing to be constructed or rehabilitated, including the number of units by size (square footage), bedroom count, bathroom count, sketches of the proposed new construction or rehabilitation, unit plans, listing of amenities and services, and estimated date of completion. For rehabilitation, the description must describe the property as is and must also describe the proposed rehabilitation.

   b. Evidence of site control, and for new construction identification and description of the proposed site, site plan and neighborhood.

   c. Evidence that the proposed new construction or rehabilitation is permitted by current zoning ordinances or regulations, if applicable.

   d. Evidence to indicate that the needed re-zoning is likely and will not delay the project, if applicable.

   e. The proposed contract rent per unit, including an indication of which utilities, services, and equipment are included in the rent. For those utilities that are not included in the rent, an estimate of the average monthly cost for each unit type for the first year of occupancy.

   f. A statement identifying:

      1. The number of persons (families, individuals, businesses and nonprofit organizations) occupying the property on the date of submission of the application.

      2. The number of persons to be displaced, temporarily relocated or moved permanently within the building or complex.

      3. The estimated cost of relocation payments and services, and the sources of funding.

      4. The organization(s) that will carry out the relocation activities.

5. The identity of the owner, project principals, names of officers, principal members, shareholders, investors and other parties having substantial interest. Certification showing that the above-mentioned parties are not on the U.S. General Services Administration list of parties excluded from Federal procurement and nonprocurement programs; a disclosure of any possible conflict of interest by any of these parties that would be a violation of the Agreement or the HAP Contract; and information on the qualifications and experience of the principal participants. Information concerning any participant who is not known at the time of the owner's submission must be provided to the PCDC as soon as the participant is known.

6. The owner's plan for managing and maintaining the units.

7. Evidence of financing or lender interest and the proposed terms of financing.

8. The proposed term of the HAP Contract; and

9. Any other information the PCDC believes necessary.

As of January 1, 2011, the PCDC has four PBV HAP Contracts with the following locations:

1. Woodbury Senior Apartments -1 unit.
2. Villa Los Robles - 2 units.
3. Centennial Place Apartments - 142 units.
4. Orange Grove Gardens Apartments - 9 units.

As of January 1, 2011, the PCDC has 2 agreements with property owners to execute a HAP contract after the owner completes the construction or rehabilitation for the following projects:

1. 270 Parke Street - 3 units.
2. Hudson Oaks Apartments - 44 units.

C. ELIGIBLE AND INELIGIBLE PROPERTIES [24 CFR 983.57]

Newly constructed and existing structures of various types may be appropriate for attaching assistance to the units under 24 CFR 983, including single-family housing and multi-family housing. Eligible housing under 24 CFR 982.352 does not apply.

The PCDC may not attach or pay PBVP assistance in the following types of housing:

1. Housing for which the construction is started before Agreement execution.

2. Housing for which the rehabilitation is started before Agreement execution.

3. Shared housing, nursing homes, and facilities providing continual psychiatric, medical, nursing services, board and care or intermediate care.

4. Units within the grounds of penal, reformatory, medical, mental, or similar public or private institutions.

5. Housing located in an area that has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards.

6. College or other school dormitories.

7. Manufactured homes.

The PCDC may not attach or pay PBVP assistance to any of the following types of subsidized housing:

1. Public housing.

2. A unit subsidized by any other form of Section 8 assistance (tenant-based or project-based).

3. A unit subsidized with any local or State rent subsidy.

4. A Section 236 project (insured or noninsured) or a unit subsidized with Section 236 rental assistance payments.

5. A Rural Development Administration Section 515 project.

6. A unit subsidized with rental assistance payments under Section 521 of the Housing Act of 1949 (a Rural Development Administration Program).

7. Housing assisted under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974).

8. Section 221(d)(3) project.

9. A project with a Section 202 loan.

10. A Section 202 project for non-elderly persons with disability (Section 162 assistance).

11. Section 202 supportive housing for the elderly.

12. Section 811 supportive housing for persons with disabilities.

13. A Section 101 rent supplement project.

14. A unit subsidized with tenant-based assistant under the HOME program; or

15. Any unit with any other duplicative Federal, State, or local housing subsidy as determined by HUD. For this purpose, "housing subsidy" does not include the housing component of a welfare payment, a Social Security payment received by the family, or a rent reduction because of a tax credit.

Assistance may not be attached to a unit that is occupied by an owner; however, cooperatives are considered to be rental housing for the purposes of this 24 CFR 983.

D. SPECIAL HOUSING TYPES [24 CFR 983.9]

In the PBVP, the PCDC may not provide assistance for shared housing, cooperative housing, manufactured homes space rental, or the homeownership option.

A group home may include one or more group home units. A separate lease is executed for each elderly person or person with disabilities who resides in a group home.

E. DECONCENTRATION OF POVERTY AND EXPANSION OF HOUSING AND ECONOMIC OPPORTUNITIES

In accordance with HUD requirements, all PBVP HAP Contracts or assistance agreements must be for units located in census tracts with poverty rates of less than 20%, unless HUD specifically approves an exception.

Activities under the PBVP are subject to HUD environmental regulations in 24 CFR 50 and 58.

F. HOUSING ASSISTANCE PAYMENTS CONTRACT [24 CFR 983.203]

The PCDC must enter into a HAP Contract with the owner stating the terms and conditions of the PBVP project. The initial HAP Contract term for existing housing may not be less than one year nor more than ten years. The initial HAP Contract term for new construction or rehabilitated housing may not be less than one year nor more than 15 years. The PCDC has sole discretion to determine the initial term of the HAP Contract with these limits.

Within one year before expiration of the HAP Contract, the PCDC may agree to extend the term of the HAP Contract for exiting housing for an additional term of five years or up to 15 years for new construction or rehabilitated housing if the PCDC determines an extension is appropriate to continue to provide affordable housing for low-income family. HAP Contracts maybe renewed for terms for an aggregate total of 30 years, subject to the availability of appropriated funds.

At the sole option of the PCDC, the PCDC may renew expiring HAP Contracts for such period or periods as the HUD field office determines appropriate to achieve long-term affordability of the assisted housing. The PCDC must identify the funding source for renewals; different funding sources may be used for the initial term and review terms of the HAP Contract.

The HAP Contract must provide that the term of the PCDC contractual commitment is subject to the availability of sufficient appropriated funding (budget authority) as determined by HUD or by the PCDC in accordance with HUD instructions. 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 PCDC has the right to terminate the HAP contract by notice to the owner for all or any of the contract units.

Once the PCDC has received owner notification that the construction or rehabilitation has been completed, the PCDC must inspect the building to determine if the housing has been completed in accordance with the Agreement, including compliance with the HQS and any additional requirements imposed by the PCDC under the Agreement. If the work has not been completed in accordance with the Agreement, the PCDC must not enter into the HAP Contract.

The PCDC must execute the HAP Contract if the PCDC accepts the unit(s). The effective date of the HAP Contract may not be earlier than the date of the PCDC inspection and acceptance of the unit(s).

After commencement of the HAP Contract term, the PCDC must make monthly housing assistance payments for each unit occupied under lease by an eligible family.

At the discretion of the PCDC and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same building for previously covered contract unit. Prior to such substitution, the PCDC must inspect the proposed substitute unit and must determine the reasonable rent.

The Quality Housing and Work Responsibility Act of 1998 (QHWRA) requires owners to provide not less than one-year written notice to tenants and HUD of expiration or termination of the Contract.

G. REDUCTION OF UNITS

Owners must lease all assisted units under a HAP Contract to eligible families. Leasing of vacant, assisted units to ineligible tenants is a violation of the HAP Contract and grounds for all available legal remedies, including suspension or debarment from the HUD program and reduction of the number of units under the HAP Contract. Once the PCDC determines that a violation exists, the PCDC must notify the HUD field office of its determination and the suggested remedies. At the direction of the HUD field office, the PCDC must take the appropriate action.

If at any time beginning 180 calendar days after the effective date of the HAP Contract, the owner fails to have the assisted units leased to families receiving housing assistance or to families who were eligible when they initially leased the unit, but are no longer receiving housing assistance, the PCDC may, on at least a 30 calendar days notice, reduce the number of units covered by the HAP Contract. The PCDC may reduce the number of units actually leased or available for leasing by eligible families, plus 10 percent (round up).

If the owner has only one unit under a HAP Contract, and if one year has elapsed since the date of the last housing assistance payment, the HAP Contract may be terminated with the consent of the owner.

The PCDC will agree to an amendment of the HAP Contract to provide for subsequent restoration of any reduction made pursuant to the above mentioned paragraph of this section, if:

1. The PCDC determines that the restoration is justified by demand.

2. The owner otherwise has a record of compliance with obligations under the HAP Contract; and

3. Contract authority is available.

H. RESPONSIBILITIES OF THE PCDC [24 CFR 983.201]

The PCDC must:

1. Inspect the project before, during, and upon completion of new construction or rehabilitation; and

2. Ensure that the amount of assistance that is attached to units is within the amounts available under the ACC.

I. RESPONSIBILITIES OF THE OWNER [24 CFR 983.208 & 24 CFR 982.452]

The owner is responsible for performing all of the owner responsibilities under the Agreement and the HAP Contract, providing the PCDC with a copy of any termination of tenancy notification, and offering vacant, accessible units to a family with one or more members with a disability requiring accessibility features of the vacant unit and occupying an assisted unit not having such features.

J. FAMILY PARTICIPATION [24 CFR 983.251]

The PCDC will use the tenant-based assistance waiting list for its PBVP, pursuant to 24 CFR 982.201, 982.202 except paragraph (b)(c), 982.203, 982.204 except paragraph (a)(b), 982.205 except paragraph (a), 982.206 and 982.207. When the owner notifies the PCDC of vacancies in the PBVP units, the PCDC will refer one or more families of the appropriate size from its waiting list. A family that refuses an offer of a PBVP unit will keep its place on the tenant-based waiting list. The owner must rent all vacant PBVP units to eligible families referred by the PCDC. The PCDC will determine eligibility of any family referred for a PBVP unit.

Before the PCDC selects a specific unit to which assistance is to be attached, the PCDC must determine whether the unit is occupied, and if so, whether the occupants are eligible for assistance. If the unit is occupied by an eligible family (including a single person) and the PCDC selects the unit, the family must be given the opportunity to lease that unit or another appropriately sized, project-based unit in the project without requiring that the family be placed on the waiting list. The PCDC may not enter into an agreement to provide project-based assistance to a unit whose occupants are not eligible to participate in the program.

If the PCDC does not refer a sufficient number of interested families on the PCDC's waiting list to the owner within 30 days of the owner's notification to the PCDC of a vacancy, the owner may advertise for or solicit applications from eligible, very low-income families. The owner must refer these families to the PCDC to determine eligibility. The PCDC and/or owner may also partner with other agencies for referrals for project based units.

The owner is responsible for screening and selection of tenants. The owner must adopt written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income households and with a family's ability to perform the lease obligations. The owner must promptly notify any rejected family in writing of the grounds for that rejection.

In order for a family to be eligible for participation under the PBVP, the family must meet the eligibility criteria outlined in Chapter 2 of this Plan and the family's annual income may not exceed the applicable income limit as set by HUD.

A family becomes a participant when the family and owner execute a lease for a unit with project-based assistance.

If the HAP Contract for the unit expires or if the PCDC terminates the HAP Contract for the unit:

1. The PCDC must issue the assisted family in occupancy of a unit a HCV for assistance under the PCDC's voucher program, unless the PCDC has determined that it does not have sufficient funds for continued assistance for the family, or unless the PCDC denies issuance of a HCV in accordance with 24 CFR 982.552.

2. If the unit is not occupied by an assisted family, then the available funds under the ACC that were previously committed for support of this project-based assistance for the unit must be used for the PCDC's voucher program.

K. BRIEFING SESSIONS FOR PBVP PARTICIPANTS [24 CFR 983.252]

Briefing sessions will be held for families who have been selected to occupy a project-based unit. The briefing session will provide the family with the following:

1. Information regarding the tenant rent and any applicable utility allowance.

2. A copy of the Lead-Based Paint information pamphlet.

3. Family and owner responsibilities under the lease and HAP Contract.

4. Information on Federal, State, and local equal opportunity laws.

5. The fact that the subsidy is tied to the unit, that the family must occupy a unit under the program, that a family that moves from the unit does not have any right to continued assistance.

6. The likelihood of the family receiving a HCV after the HAP Contract expires.

7. The family's options under the program if the family is required to move because of a change in family size or composition; and

8. Information on the PCDC's procedures for conducting informal hearings for participants, including a description of the circumstances in which the PCDC is required to provide the opportunity for an informal hearing, in accordance with 24 CFR 982.555, and the procedures for requesting a hearing (see Chapter 18 of this Plan).

L. PHYSICAL CONDITION STANDARDS & PHYSICAL INSPECTION REQUIREMENTS

Housing used in the PBVP must be maintained and inspected in accordance with the requirements in 24 CFR 5, subpart G prior to the HAP Contract execution. In addition to the standards in 24 CFR 5, subpart G, the dwelling unit must have a living room, a kitchen area, and a bathroom. The dwelling unit must have at least one bedroom or living/sleeping room for each two persons.

The Lead-Based Paint Poisoning Prevention Act and implementing regulations at 24 CFR 35, subparts A, B, H, and R of this title apply to units assisted under this part.

The dwelling unit must be inspected and must pass HQS prior to the execution of the Lease.

M. MAINTENANCE, OPERATION AND INSPECTION [24 CFR 983.207]

The following sections do not apply to the PBVP:

1. 24 CFR 982.404 Maintenance: Owner and family responsibility; PHA remedies.

2. 24 CFR 982.405: PHA periodic unit inspections and enforcement of HQS.

The owner must provide all the services, maintenance and utilities as agreed under the HAP Contract, subject to abatement of housing assistance payments or other applicable remedies if the owner fails to meet these obligations.

In addition to the inspections required prior to execution of the HAP Contract, the PCDC must inspect or cause to be inspected each dwelling unit under a HAP Contract at least annually, and at such other times as may be necessary to ensure that the owner is meeting the obligations to maintain the unit in decent, safe, and sanitary conditions and to provide the agreed upon utilities and other services. The PCDC must take into account complaints and any other information coming to its attention in scheduling inspections.

If the PCDC notifies the owner that the units under HAP Contracts are not being maintained in decent, safe, and sanitary conditions and the owner fails to take corrective action within the time prescribed in the notice, the PCDC may exercise any of its rights or remedies under the HAP Contract, including abatement of housing assistance payments, even if the family continues in occupancy, or the termination of the HAP Contract and termination of assistance to the family, in accordance with 24 CFR 982.552.

N. OVERCROWDED AND UNDEROCCUPIED UNITS [24 CFR 983.259]

If the PCDC determines that a contract unit is not decent, safe, and sanitary because of an increase in family size that causes the unit to be overcrowded, or that a contract unit is larger than appropriate for the size of the family in occupancy under the PCDC subsidy standards, housing assistance payments with respect to the unit may not be terminated for these reasons. Terminating a HAP Contract when a unit is too big or too small in 24 CFR 982.403 does not apply. The owner, however, must offer the family a suitable alternative unit if one is available and the family shall be required to move. If the owner does not have a suitable unit available within the family's ability to pay the rent, the PCDC (if it has sufficient funding) may offer tenant-based assistance to the family or otherwise assist the family in locating other standard housing in the PCDC's jurisdiction within the family's ability to pay, and require the family to move to such a unit as soon as possible. The family must not be forced to move, nor shall housing assistance payments under the HAP Contract be terminated for the reasons specified in this paragraph, unless the family rejects, without good reasons, the offer of a unit that the PCDC's judges to be acceptable.

O. ASSISTED TENANCY AND TERMINATION OF TENANCY [24 CFR 983.206]

The term of a lease, including a new lease or a lease amendment, executed by the owner and the family must be for at least one year, or the remaining term of the HAP Contract if the remaining term of the HAP Contract is less than one year. The family must notify the PCDC and the owner before the family moves out of the unit. Term of assisted tenancy, 24 CFR 982.309, and owner termination of tenancy, 24 CFR 982.310(d)(1)(iii)(iv), do not apply to the PBVP.

The family is required to terminate the lease with a 60-day advance written notice to the owner and a copy of the notice to the PCDC. The owner may offer the family a new lease for execution by the family for a term beginning at any time after the first year of the term of the lease. The owner must give the family written notice of the offer at least 60 days before the proposed commencement date of the new lease term. The offer may specify a reasonable time for acceptance by the family. Failure by the family to accept the offer of a new lease in accordance with this paragraph shall be "other good cause" for termination of tenancy.

P. RENT AND HOUSING ASSISTANCE PAYMENT [24 CFR 983.302]

In 24 CFR 982 subpart K, rent and housing assistance payment for tenant-based program, the following are the only sections that apply to the PBVP under 24 CFR 982.503 (payment standard): 24 CFR 982.516 (regular and interim re-examination of the family income and composition) and 24 CFR 982.517 (utility allowance schedule).

Q. LIMITS ON INITIAL RENT TO OWNER [24 CFR 983.301]

The initial rent to owner for a unit may not exceed the reasonable rent as determined by the PCDC, in accordance with 24 CFR 983.302.

The initial gross rent for a unit (rent to owner plus utility allowance) may not exceed the payment standard rent limit as determined by the PCDC, in accordance with 24 CFR 982.503. However, at the time of initial occupancy by the eligible family, the family gross rent must not exceed 40% of the family adjusted monthly income.

The PBVP HAP Contract shall establish gross rents that do not exceed 110% of the established Fair Market Rent (FMR) or any HUD-approved "exception payment standard" for the City of Pasadena. The HAP Contract will also allow for an annual rent adjustment. The initial and adjusted rents to the owner must also be reasonable in relation to rents charged in the private market for comparable unassisted units.

R. ANNUAL ADJUSTMENT OF RENT TO OWNER [24 CFR 983.302]

At each annual anniversary date of the HAP Contract, the PCDC may re-determine the rent to owner in accordance with the following requirements:

1. The owner must request a rent increase (including a comparability study to determine the amount of such increase) by written notice to the PCDC, at least 120 days before the HAP Contract anniversary. The request must be submitted in the form and manner required by the PCDC.

2. The PCDC may not increase the rent at the annual anniversary unless:

    a. The owner requested the increase by the 120-day deadline; and

    b. During the year before the HAP Contract anniversary, the owner complied with all requirements of the HAP Contract, including compliance with HQS for all contract units.

3. Rent increases will be implemented at the time of the tenant's annual re-examination.

The adjusted rent to owner equals the lesser of:

1. The re-adjustment rent to owner multiplied by the applicable Section 8 Annual Adjustment Factor published by HUD.

2. The reasonable rent as determined by the PCDC, in accordance with 24 CFR 983.256; or

3. The rent requested by owner.

The applicable factor is the published annual adjustment factor in effect 60 days before the HAP Contract anniversary. In making the annual adjustment, the pre-adjustment rent to owner does not include any previously approved special adjustments.

The rent to owner may be adjusted up or down, in accordance with 24 CFR 983.301.

S. SPECIAL ADJUSTMENT OF THE RENT TO OWNER [24 CFR 983.301]

At HUD's sole discretion, HUD may approve a special adjustment of the rent to owner. The PCDC may only make a special adjustment of the rent to owner if the adjustment has been approved by HUD.

A special adjustment may only be approved to reflect increases in the actual and necessary costs of owning and maintaining the contracted units because of substantial and general increases in:

1. Property taxes.

2. Special governmental assessments.

3. Utility rates; or

4. Cost of utilities not covered by the regulated rates.

A special adjustment may only be approved if and to the extent that the owner demonstrates that cost increases are not adequately compensated by application of the published annual adjustment factor at the HAP Contract anniversary. The owner must demonstrate that the rent to owner is not sufficient for proper operation of the housing.

The adjusted rent may not exceed the reasonable rent as determined by a comparability study, in accordance with 24 CFR 983.301.

The owner must submit financial information, as requested by the PCDC, that supports the grant or continuance of a special adjustment. For HAP Contracts of more than 20 units, such financial information must be audited.

The PCDC may withdraw or limit the term of any special adjustment. If a special adjustment is approved to cover temporary or one-time costs, the special adjustment is only a temporary or one-time increase of the rent to owner.

T. REASONABLE RENT [24 CFR 983.303]

The PCDC may not enter an agreement to enter into a HAP Contract until the PCDC determines that the initial rent to owner under the HAP Contract is reasonable. During the term of a HAP Contract, the rent to owner may not exceed the reasonable rent as determined by the PCDC.

At least annually during the HAP Contract term, the PCDC must re-determine that the current rent to owner does not exceed a reasonable rent. The PCDC must determine whether the rent to owner is a reasonable rent in comparison to rent for other comparable unassisted units. To make this determination, the PCDC must consider:

1. The location, quality, size, unit type, and age of the contract unit; and

2. Any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

U. VACANT UNITS [24 CFR 983.352]

Vacancy payments may be paid for up to 60 days after a unit becomes vacant, in an amount not to exceed the rent to owner as provided by the PBVP HAP Contract on the day the family vacated the unit. These payments will only be made if the vacancy was not the owner's fault, and if the owner and the PCDC take actions to limit the length and likelihood of any vacancy. The vacancy payment to the owner cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner_including amounts available from the tenant's security deposit. Any vacancy payment may cover only the period the unit remains vacant.

V. CONVERSION OF SECTION 8 PROJECT-BASED ASSISTANCE TO TENANT-BASED ASSISTANCE [PIH NOTICE 99-40, SEPTEMBER 1, 1999]

HUD currently provides additional funding to public housing agencies to assist eligible residents who are affected by "housing conversions." Housing conversions occur when a Section 8 Project-Based Contract is near expiration, has expired, or the owner chooses to "opt-out" of the Contract ("Contract termination"). In those instances where expiring Project-Based Rental Assistance is being replaced by Tenant-Based Rental Assistance (TBRA) Vouchers, HUD shall determine the appropriate actions and provide guidance and instruction to the PCDC.

The conversion process typically begins with HUD's receipt of the notice from the owner stating the intent to terminate the existing Contract. This notice must be in writing and provided to both the tenants and HUD, not less than one year from the Contract termination date. It is the responsibility of HUD to enforce the notification requirements of the owner. Based on the appropriate notification and at least 120 days prior to the termination date of the Contract, HUD shall determine the number of occupants in place, the composition of each family, and extend an invitation to the PCDC offering the PCDC the opportunity to administer TBRA to the eligible families. Once the PCDC has agreed to administer TBRA and issue HCVs, the existing ACC between the PCDC and HUD will require modification.

HUD shall transmit all pertinent family composition data to the PCDC. The PCDC shall utilize this information to begin the review of each family's eligibility for admission to the TBRA Program. As part of the determination of eligibility, the PCDC may require families to complete the following:

1. Submit a completed program application and any other required program form(s).

2. Submit any records pertinent to the determination of eligibility, i.e., identification cards, Birth Certificates, Social Security cards, proof of citizenship, proof of income, proof of assets, certification forms, affidavits, etc.

3. Attend an interview with PCDC staff; and

4. Attend mandatory briefing session conducted by PCDC staff (rental vouchers issued to eligible families).

Due to the severe time constraints often associated with these conversion actions, the PCDC may use the owner's most recent family income re-examinations, if:

1. The owner's certification for the family is no more than six months old; and

2. The PCDC determines that the owner's certifications are acceptable after reviewing a small sample for accuracy.

The PCDC is not required to use the owner's certifications and may opt to conduct its own income determination and verification.

The PCDC will make every effort to have the determination of eligibility completed and the rental vouchers issued to eligible families no later than 60 days before the termination date of the contract. Once these requirements are completed, the PCDC must:

1. Ensure the units selected by the families are eligible (see Chapter 2 of this Plan).

2. Conduct HQS inspections for units selected by families (see Chapter 10 of this Plan).

3. Ensure the rent is reasonable (see Chapter 11 of this Plan); and

4. Execute a HAP Contract with the owner.

HUD encourages housing agencies to begin tasks such as certifying families and approving units before receiving the ACC funding exhibit to avoid the potential adverse impact on the families. However, the PCDC may not under any circumstances execute a HAP Contract prior to receiving the notification letter and the effective date of the funding contained on the ACC funding exhibit.

Housing conversions represent a very unique opportunity for the PCDC to be pro-active in safeguarding the welfare of families residing in affordable housing developments that are faced with rental increases or possible displacement. Although some actions may not be taken by the PCDC without seeking prior approval from HUD, the PCDC shall continue to be committed to providing supportive services and guidance to families that are affected by these circumstances.

W. MOVES WITH CONTINUED RENTAL ASSISTANCE

The HCV will be cancelled if the family elects to move into a project-based assisted unit. If the family decides to relocate after 12 months, the family may be eligible for other forms of rental assistance, if funding is available. Family may only move in accordance with this Plan, Chapter 13.

Rental assistance under the PBVP will terminate for families that vacate the assisted unit during the initial term of the lease.

X. FAMILY RIGHT TO MOVE [24 CFR 983.260]

The family may terminate the assisted lease at any time after the first year of occupancy in accordance with Chapter 13 of this Administrative Plan. The family must give the owner advance written notice of intent to vacate (with a copy to the PCDC) in accordance with the lease.

If the family has elected to terminate the lease in this manner, the PCDC must offer the family the opportunity for continued TBRA, in the form of either assistance under the HCVP or other comparable TBRA.

Before providing notice to terminate, the family must contact the PCDC, in writing, to request comparable TBRA if the family wishes to move with continued assistance. If a HCV or other comparable TBRA is not immediately available upon termination of the family's lease of a PBVP unit, the PCDC must give the family priority to receive the next available opportunity for continued TBRA. The family will not be eligible for a HCV or other comparable TBRA if the family fails to submit written request prior to serving a notice of terminate. Moves with continued assistance are allowed in accordance with Chapter 13 in this Plan.

If the family terminates the assisted lease before the end of one year, or if the family has violated program rules and regulations, the family relinquishes the opportunity for continued TBRA.

The PCDC will ensure the family is in compliance with the rules and regulations. The PCDC will follow the policies and procedures outlined in the "Moves with Continued Assistance" for the HCVP. If the family is approved for participation in the HCVP, the family will be required to be leased under that program in the City of Pasadena for at least one year before they can be eligible for portability.

CHAPTER 20

SUPPORTIVE HOUSING SERVICES

INTRODUCTION

The PCDC recognizes that providing an affordable housing unit consisting of merely four walls and a roof is often times not enough. Individuals and families require a complex matrix of supportive services that will enable them to live affordably and comfortably in a stable, supportive environment. The PCDC offers several supportive housing programs targeted to persons with special housing needs.

Several of the programs that are encompassed under the umbrella of the Supportive Housing Services provide tenant-based rental assistance. Shelter Plus Care (S+C), Housing Opportunities for People with AIDS (HOPWA), and HOME Tenant-Based Rental Assistance Program (HOME TBRA) provide rental assistance to participants at privately owned units throughout the service area. These programs and their operations, as outlined in this chapter, will follow the policies and procedures of the Housing Choice Voucher Program (HCVP) except in those areas where the Code of Federal Regulations (CFR) or this administrative plan outline a different requirement.

A. SUPPORTIVE HOUSING PROGRAMS

Family Self Sufficiency (FSS) Program [24 CFR 984.101-984.401]

The Family Self Sufficiency (FSS) Program represents a service-enriched approach to helping families leave the welfare system or low paying jobs and achieve economic self-sufficiency. The FSS Program has been designed to enable families receiving rental assistance under the HCVP to become economically independent within a five-year timeframe.

FSS is designed to empower people to take control of their lives by becoming independent, productive members of their communities. This objective is achieved through providing the FSS program participant with comprehensive supportive services. Each FSS program participant is eligible for housing assistance, a comprehensive matrix of supportive services, an interest-bearing escrow savings account which may be utilized as a down payment on the purchase of a house, transitional resources to achieve economically independent living and/or opportunities to improve educational attainment, skill levels, and income generating abilities.

By combining rental assistance with a package of support services, the FSS Program helps families obtain the skills they need to achieve financial independence and self confidence. PCDC policies for the FSS Program are stated in the FSS Action Plan.

Families who previously participated in the FSS program but were unable to meet the obligations of their contract will be given the opportunity to participate again if the family can demonstrate a change in circumstances that affect the likelihood of successful completion of the contract. If an FSS program participant is not able to complete their FSS contract, that participant is not entitled to any funds that have been credited to their escrow account. Section 8 rental assistance will not be terminated because an FSS program participant does not meet the obligations of their FSS contract.

If an FSS program participant does not report all income and it is discovered that this underreporting is purposeful, the participant will be terminated from the FSS program. The escrow account is forfeited and will not be credited for any portion of back rent owed due to underreporting of income.

The PCDC does not currently receive funding to operate an FSS program. The program at this time is limited to existing participants in the FSS program. No new enrollments are being taken. If program funding is identified in the future, the FSS program will again open for applications from HCVP participants who are in good standing and do not owe money to the PCDC.

Shelter Plus Care Program [24 CFR 582]

The primary objective of the S+C Program is to improve the lives of very low-income homeless individuals and families with mental illness, recovering chronic substance abusers, and/or those whom are living with HIV/AIDS, by providing long-term affordable rental housing and a broad variety of supportive services that will enable S+C Program participants to increase income, build self confidence, and live as independently as possible. The maximum term of rental assistance under the S+C Program will be limited by funding availability.

S+C is operated by the PCDC in conjunction with a Sponsor Agency. The Sponsor Agency is required to provide or coordinate appropriate supportive services to program participants. These supportive services may be provided by the Sponsor Agency, funded by the Sponsor Agency but provided by a third party, or both funded and provided by a third party. S+C only provides funding for rental assistance. The Sponsor Agency must document a match of supportive services equal to the total amount provided in rental assistance over the life of the grant.

Applicants to the S+C Program are screened for initial eligibility by the Sponsor Agency. This eligibility screening encompasses verification of homelessness, disability, income and assets, and family status. The application packet is then transmitted to the PCDC. The PCDC performs a criminal background check as detailed in Chapter 2 of this administrative plan, reviews the application packet, and requests third-party verification to ensure that the applicant meets the eligibility criterion for S+C.

An applicant who meets the eligibility criterion and passes the criminal background screening is issued a Certificate in a briefing session conducted by PCDC Supportive Housing Services staff. The Certificate holder, with the help of the Sponsor Agency, must then locate a rental unit within the City of Pasadena. As with the HCVP, the unit must pass HQS inspection before the unit can begin to be subsidized and the applicant become a participant in the S+C Program.

S+C Program participants will be allowed to live in group home and shared housing environments. The S+C participant must have access to bathroom and kitchen facilities. These facilities may be shared. There must also be access to living room space.

In cases where a S+C Program participant's name is reached on the HCVP waiting list, the S+C Program participant will be given the opportunity to select between the two programs. If the S+C Program participant selects to remain on the S+C Program and declines the HCV, their application will be withdrawn from the HCVP waiting list.

Housing Opportunities for Persons with AIDS Program [24 CFR 574.300, 574.310, 574.320]

The Housing Opportunities for Persons with AIDS (HOPWA) Program provides tenant-based rental assistance to very low-income households of individuals and families living with HIV/AIDS. The HOPWA tenant-based rental assistance program operates much the same as the HCVP but also provides case management and supportive services to HOPWA Program participants.

The PCDC administers the HOPWA program for the cities of Pasadena and Glendale The initial 12 months of rental assistance will be funded under the HOPWA Program. Upon the expiration of the 12 month period for each HOPWA Program participant, the PCDC will "absorb" or provide continued rental assistance to the program participants under its regular HCVP, but only for households residing within PCDC's jurisdiction and as long as the household continues to meet the eligibility requirements for ongoing rental assistance.

Before the PCDC agrees to fund the initial 12 months of rental assistance for eligible households residing in its sub-recipient's jurisdiction, the Public Housing Agency(PHA) overseeing the administration of the HCVP in the applicable jurisdiction must enter into a Memorandum of Understanding (MOU) with the HOPWA formula grant recipient for the Eligible Metropolitan Statistical Area (EMSA), whereby the PHA agrees to provide continued rental assistance under its HCVP to the HOPWA program participants residing in their jurisdiction or their surviving member of the household. The PCDC has such an MOU in place with the City of Los Angeles Housing Department, which is the EMSA for HOPWA funds in this area.

Applicants to the HOPWA Program are screened for initial eligibility by the referring agency. This initial eligibility screening encompasses verification of HIV/AIDS status, income and assets, and family status. The application packet is then transmitted to the PCDC. The PCDC performs a criminal background check as detailed in Chapter 2 of this administrative plan, requests third party verification, and reviews the application packet to ensure that the applicant meets the eligibility criterion for the HOPWA Program.

An applicant who meets the eligibility criterion and passes the criminal background screening is issued a Certificate in a briefing session conducted by PCDC Supportive Housing Program staff. The Certificate holder, with the help of the Sponsor Agency, must then locate a rental unit within the Cities of Pasadena or Glendale. As with the HCVP, the unit must pass HQS inspection before the unit can begin to be subsidized and the applicant become a participant in the HOPWA Program.

The PCDC will work with the Glendale Housing Authority (GHA) to conduct the lease up and absorption process for HOPWA certificate holders who locate a unit in Glendale. GHA inspection staff will conduct the Housing Quality Standards inspection and forward that information to PCDC staff. PCDC staff will contact the GHA at annual review time to begin converting the rental assistance from HOPWA to HCV. This conversion process will include ensuring that there is an HCV available. If GHA does not have an available HCV, the client household will be informed they will be issued an HCV from PCDC's allocation, and will be required to locate a unit within the jurisdiction of the PCDC.

HOME Tenant-Based Rental Assistance Program [24 CFR 92.209]

The overall objective of HOME Tenant-Based Rental Assistance (TBRA) is to provide rental subsidies to very low-income individuals and families with special circumstances, who reside or are employed in the City of Pasadena. Special circumstances recognized by the PCDC are: involuntarily displaced due to government action, involuntarily displaced as a result of a health or safety hazard cited by the City of Pasadena, victim of domestic violence, at risk for homelessness due to a crisis situation, and homelessness due to loss of job or other event beyond the persons' control. Applicants will be referred to the PCDC by a supportive service agency or by the City of Pasadena. Under the HOME TBRA Program, assistance is ***only*** for 24 months with no exceptions.

Applicants to the HOME TBRA Program will be interviewed by PCDC Supportive Housing Program Staff to ensure that the applicant meets the eligibility criterion. A criminal background check is conducted as detailed in Chapter 2 of this administrative plan.

An applicant who meets the eligibility criterion and passes the criminal background screening is issued a Coupon in a briefing session conducted by PCDC Supportive Housing Program staff. The Coupon holder must then locate a rental unit within the City of Pasadena. As with the HCVP, the unit must pass HQS inspection before the unit can begin to be subsidized and the applicant become a participant in the HOME TBRA Program.

In cases where a HOME TBRA Program participant's name is reached on the HCVP waiting listing, the HOME Program participant will be given the opportunity to select between the two programs. If the HOME Program participant selects to remain on the HOME Program and declines the HCVP Rental Voucher, their application will be withdrawn from the HCVP.

When HCVP vouchers are available, PCDC reserves the option to move HOME TBRA participants to the HCVP to ensure continuity of assistance.

Emergency Rental Assistance Deposit Program (ERAD)

The Emergency Rental Assistance Deposit Program (ERAD) provides a loan for security deposit to allow participants in the HCVP to move in to privately-owned rental units. ERAD is funded with HOME Program entitlement funds administered by the City of Pasadena. An HCVP participant household that has located a unit in the City of Pasadena may apply for security deposit assistance through ERAD. If the application for assistance is approved, a check for the security deposit amount will be sent directly to the landlord. This security deposit assistance is a loan. The ERAD participant will make monthly payments to the PCDC. When the participant vacates the unit, the participant will return any outstanding deposit monies to the City of Pasadena. Funds exist to help approximately 50 households in a Fiscal Year.

Applicants must be applicants or participants in good standing in the HCVP ; must live, work, or go to school full time in Pasadena; and must be able to pay the ongoing rent on the selected rental unit. All applicants must complete an Application for the ERAD Program and provide all required verifications, including verification of income, bank accounts, and family status. The Application for the ERAD Program must be completed by the prospective tenant. A landlord may not apply for assistance on behalf of a tenant.

The selected rental unit must be located in the City of Pasadena, and the applicant must provide a signed lease agreement indicating security deposit and ongoing rent amounts. The property owner must be able to provide proof of ownership for the property, and provide a current Certificate of Inspection and Code Compliance from the City of Pasadena.

If the household is found eligible to receive ERAD funds and the required ownership and occupancy verifications are submitted, the head of household will sign an ERAD Repayment Agreement. If the household defaults on the repayment agreement, their file will be sent to collections and the default will be reported to the appropriate credit reporting agencies. Additionally, the household's participation in the HCVP may be terminated in accordance with Chapter 17 of this Administrative Plan.

Certification

The certification process for Supportive Housing Services is consistent with the HCVP except that initial eligibility information may be secured by the Sponsor Agency. This information is forwarded to the PCDC for review and eligibility determination. If an applicant is determined eligible, they will be given a program briefing by the PCDC consistent with the HCVP, and including information specific to the requirements of the program in which they will be participating.

Annual Reexamination

The annual reexamination process for TBRA participants is also consistent with the HCVP, except Supportive Housing Program participants are asked to disclose progress pertaining to their case management and if they are securing all the services they need to achieve self sufficiency. Additionally, at the time of the annual reexamination, HOPWA Program participants are absorbed by the housing agency in the jurisdiction in which they reside. Under no circumstances may a contract be funded with HOPWA monies beyond the initial 12 month period. For those participants living outside of the PCDC jurisdiction, eligible HOPWA Program participants will have their case files ported to their respective jurisdiction for continued rental assistance.

Rental Negotiation [24 CFR 92.209(f), 574.320, 582.305(b)]

Supportive Housing Services TBRA programs (HOPWA, S+C, and HOME) use a different formula than HCVP to determine participant rent. An HCVP participant may pay more than 30% of their adjusted income toward rent as long as it does not exceed 40% of that HCVP participant's adjusted income. However, HOPWA, S+C, and HOME TBRA programs use the Section 8 Certificate Program standard where a program participant pays no more that 30% of their adjusted income towards rent.

For special housing types, rental negotiation will be done in accordance with 24 CFR 982.601. In the HOPWA, S+C, and HOME TBRA programs, if the gross rent proposed exceeds the payment standard, the PCDC may suggest that the owner reduce the contract rent or include some or all utilities in the contract rent. If the owner accepts the offer of a revised rent, the PCDC will continue processing the Request for Tenancy Approval (RFTA). If the property owner is not willing to reduce or adjust the rent and the PCDC is satisfied that the requested rent meets the test of rent reasonableness, the

PCDC may approve the exception rent. If the owner does not agree on the contract rent after the PCDC has tried and failed to negotiate a revised rent, the PCDC will inform the family and owner that the RFTA and proposed lease are disapproved.

Inspection

The inspection process for Supportive Housing Services is similar to that of HCVP. Inspections will be conducted on Group Home facilities and shared housing, as well as regular bedroom sizes. As with HCVP, in addition to meeting the required HQS, a Certificate of Inspection and Code Compliance will also be required.

Vacancy Loss/Damage Claim [24 CFR 582.105]

Vacancy loss and damage claim will be permitted under the S+C program due to issues surrounding the special nature of the target population. As determined by HUD, vacancy payments will be permitted for a maximum of 30 days from the end of the month in which the unit is vacated.

With regard to damage claims, up to one month's contract rent will be used to pay for any damage to housing due to the action of a S+C Program participant.

Termination

Supportive Housing Services participants must adhere to the same Obligations of the Family as HCVP participants. In addition, Supportive Housing Services participants must also follow a case plan and maintain a satisfactory relationship with the Sponsor Agency. Supportive Housing Services participants may be terminated for violation of the Obligations of the Family and failure to follow a case plan set out by the Sponsor Agency. If a participant's assistance is to be terminated for non-compliance with the supportive services provided by the Sponsor Agency, the PCDC will require 30-days prior written notification from the Sponsor Agency specifying the non-compliance.

Informal Review and Informal Hearing

Consistent with the HCVP, Supportive Housing Program participants are afforded an informal hearing in case of pending termination as outlined in Chapter 18 of this administrative plan. Both the PCDC and the Sponsor Agency can propose termination of Supportive Housing Program participants. For S+C and Continuum of Care Program participants in recovery from substance abuse or diagnosed with mental illness, it is herewith acknowledged that the possibility of relapse is significant. If a relapse should occur, the program participant shall not be terminated given they seek rehabilitation services and re-establish an acceptable recovery program within a reasonable time period, or resume participation in behavioral health programs. However, repetitive relapse or excessive abuse of this provision will be cause for termination.

B. SUPPORTIVE HOUSING MANAGEMENT PLAN

Program Overview

Generally, the SHP is administered in the same manner as the HCVP with certain exceptions. More specifically, based on the objective of these programs to assist targeted low income households with special needs, additional eligibility requirements have been introduced along with the requirement for the delivery of supportive services via a sponsor agency. The specifics of each program, its process and administration are more thoroughly outlined in the Program Action Plan and Sub-recipient Agreement with the Sponsor Agencies. These documents are maintained on file in the Housing Department Office.

Continuum of Care [24 CFR 583]

The Continuum of Care is designed to promote the development of supportive housing and supportive services to assist homeless persons to live as independently as possible while being supported by an array of comprehensive supportive services. The Continuum of Care consists of four (4**)** components. These components are as follows:

- Outreach, Referral and Assessment
- Emergency Housing
- Transitional Housing
- Permanent Supportive Housing

SHP is a funding component of the Continuum of Care and promotes the development of supportive housing and services that help homeless individuals/families transition from homelessness.

Eligible program components for SHP are transitional housing, permanent housing for disabled individuals/families, supportive services, safe havens and innovative housing.

Eligible program activities include, acquisition, rehabilitation, new construction, leasing, operating costs and supportive services. SHP may only be used to establish new facilities or services, expand existing services, and bring existing facilities up to code. Assistance for leasing, operating and supportive service costs are available for up to three years.

The Sponsor Agency must match the funds for acquisition, rehabilitation, and new construction with at least an equal amount of cash resources from one or more of the following sources: the Sponsor Agency, the Federal government, State and local government, and private resources.

Homeless Management Information System

As part of the management of the SHP, PCDC has implemented a Homeless Management Information System (HMIS). HMIS is a networked computerized record keeping system that allows the PCDC and providers of homeless services throughout Pasadena to collect uniform client information over time. The system enables the PCDC and homeless service providers to collectively improve the quality of client services by performing several functions that will improve the delivery of services to the homeless. These functions include: 1) decreasing duplicative intakes and assessments; 2) streamlining referrals; 3) coordinating case management; 4) tracking client outcomes; and 5) preparing financial and programmatic reports for funders. In addition, City staff will use the collected data to inform policy makers prior to planning and funding decisions on homeless issues and to address homeless issues through community-wide forums.

Supportive Service Provider/Sponsor Agency

The PCDC will select and enter into a Sub-recipient Agreement with a local supportive service provider (Sponsor Agency) that has shown evidence of expertise and commitment to serving Supportive Housing Program participants. The solicitation of Sponsor Agencies shall be through a competitive selection process, which may include a formal Request For Proposal (RFP). The selected agencies, as mandated by HUD, may be required to match in supportive services the amount of rental assistance provided a program participant. This match as well as program participant services will be monitored on a quarterly and annual basis.

Notice of Funding Availability - Request for Proposals

A Notice of Funding Availability (NOFA) or Request For Proposals (RFP) is the solicitation document that is used as part of the PCDC's competitive selection process. The NOFA/RFP stipulates the program/project activity and/or services being solicited, along with the City's contracting requirements. Generally, the NOFA/RFP will contain the following elements:

- **Introduction** - general information about the City and the solicitation of proposals.

- **Funds Available** - amount of readily available public funds to finance supportive housing programs, projects, activities or services and the required funding match from the proposers.

- **Scope of Services/Work** - detailed requirements for the project, activity or services to be performed.

- **Proposal Contents** - requested information regarding the submitted proposal and proposer including transmittal letter, project description, project budget, legal status of proposer, financial statements, experience/administrative capacity, and compliance with PCDC affirmation action/equal opportunity in contracting.

- **Evaluation Criteria** - weighted measures for evaluating submitted proposals.

- **Selection Process** - method and procedure by which eligible proposals will be evaluated, ranked and selected.

Federal Applications

If the PCDC is seeking federal funding from the U.S. Department of Housing and Urban Development to finance its Supportive Housing Programs, the appropriate application shall be completed in accordance with the stipulated federal requirements and submitted as a consolidated application. Applications to HUD will be submitted as indicated in the Notice of Funding Availability specific to the application.

Technical Submission

The HUD Continuum of Care SHP application process has two essential phases. First, PCDC submits a Consolidated Application for SHP projects on behalf of eligible organizations in response to the HUD Continuum of Care Homeless Assistance Notice of Funding Availability (NOFA). If PCDC is successful in the competition, PCDC then completes a second phase by providing more detailed technical information not contained in the original application. The Technical Submission document contains all of the information HUD requires for the second (and final) phase prior to grant execution. All grantees, whether funded for a new SHP project, an expansion of an existing effort, or for a renewal project must complete this document. The document has exhibits, a table of contents, and project summary information.

A Technical Submission must be completed for each conditionally selected project. PCDC will fill out the exhibits that correspond to the activities in its application to HUD. PCDC will have Sponsor Agencies complete a Technical Submission for each project and submit it to PCDC when the Sponsor Agency is not PCDC. PCDC, however, is responsible for ensuring that the Area Office receives the Technical Submission by the deadline.

Grant Agreements

HUD will enter into a grant agreement with the PCDC once the Technical Submission is completed and approved.

If PCDC is awarded funding for multiple projects, a separate grant agreement shall be executed for each project, thereby accommodating projects that are ready to begin operation at varying times. Sponsor Agencies, other than PCDC, will enter into a Sub-recipient Agreement with PCDC detailing the Sponsor Agency's responsibilities for the provisions of the supportive housing program/project.

Sub-recipient Agreement

To assure quality and timely provision of supportive housing programs and services to SHP participants, the PCDC will enter into Sub-recipient Agreements with both Sponsor Agencies and nonprofit supportive service provider(s) to render the gamut of housing/services needed by the program participants. Sponsor Agencies will be selected through a competitive process. However, supportive services providers may be selected competitively by sole source based on their commitment to serving the target population, administrative and financial capacity, and longevity of service to the target population. The Sub-recipient Agreement shall be the standard form utilized by the PCDC.

Reimbursement for housing or services rendered by the Sponsor Agencies or nonprofit supportive service providers will be outlined in the Sub-recipient Agreement. The dollar amount for such services will be determined by the PCDC. The service providers participating in the S+C Program, as determined by HUD, are not entitled to funds for reimbursement, but must instead match, dollar for dollar, the amount of rental assistance with supportive services.

All Sub-recipient Agreements will, at a minimum, contain the following tenets:

- Time of Performance
- Scope of Services
- Compensation
- Program Reports
- Indemnification and Insurance

All Sub-recipient Agreements will require proof of general liability, automobile and worker compensation insurance.

Administrative Costs

The PCDC recognizes that up to 5% of any grant awarded under SHP may be spent on administrative costs for the purpose of paying costs and administering the assistance, and up to 8% of an S+C grant may be spent on administrative costs associated with administering the housing assistance. For the S+C Program, general costs of administering the grant or the supportive services are not allowable administrative costs.

The following administrative costs are eligible under SHP Grants:

- Preparation of the Annual Progress Report (APR).
- Audit of an SHP-funded program.
- Staff time spent reviewing or verifying invoices for grant funds, drawing down money, and maintaining records on the use of those funds.
- Field office training on managing the grant.

Ineligible administrative costs under SHP Grants are as follows:

- Preparation of Application/Technical Submission.
- Conferences, fundraising activities, and professional training.
- Salary of an organization's executive director, except to the extent that s/he is involved in carrying out eligible administrative functions as shown in eligible administrative costs.

The following are eligible administrative costs under the S+C Program:

- Processing rental payments to landlords.
- Examining participant income.
- Inspecting the units for HQS compliance.
- Receiving participants into the program.

Ineligible costs under the S+C Program are as follows:

- General costs of administering the grant or the supportive services.

Program Action Plan

An Action Plan detailing the general and daily policies and procedures of the Supportive Housing Programs will be maintained separate from this document. This Action Plan will be housed with the Supportive Housing Programs administrative files. Each Action Plan will contain a general program overview, program eligibility requirements, Sponsor Agency responsibilities, program participant responsibilities, PCDC responsibilities, and Sponsor Agency monitoring and reporting requirements.

Annual Progress Report (APR)

The Annual Progress Report (APR) tracks program progress and accomplishments for certain PCDC Supportive Housing Programs, specifically the homeless assistance programs.

The PCDC must submit an APR to HUD within 90 days after the end of each operating year. Failure to submit an APR will delay receiving grant funds and may result in a determination of lack of capacity for future funding. An APR must be submitted for each operating year in which HUD funding is provided. The report must be submitted to the CPD Division Director in the local HUD Field Office responsible for managing the grant.

If the PCDC receives SHP funding for new construction, acquisition, or rehabilitation the facilities are required to operate for 20 years. PCDC must submit an APR 90 days after the end of the first operating year and any year in which they use SHP funding for leasing, supportive services, or operations. For years in which they do not receive SHP funding, PCDC must submit an Annual Certification of Continued Project Operation throughout the 20 years.

A separate report must be submitted for each HUD grant received. For S+C, a separate APR must be submitted for each S+C component.

PCDC and the selected Sponsor Agencies shall collect and maintain information on each program participant in order to complete the APR. Worksheets shall be used to record information manually until a computerized system to store and tabulate the information is developed.

The APR is organized in two parts:

Part I **Project Progress** - Describe the progress in moving homeless persons to self-sufficiency, services received, project goals, and beds created.

Part II **Financial Information** - This portion of the report is completed by all Sponsor Agencies receiving funding under SHP, S+C and SRO.

Program Participant Eligibility Requirements

To participate in the Supportive Housing Programs a person must meet the applicable eligibility criteria for the program in which the family wishes to participate. To determine eligibility, applicants must provide verification of homeless status, income, vital statistics documents, and other program-specific eligibility requirements including HIV/AIDS status, mental health status, substance abuse/sobriety status, and linkage to a supportive service provider.

Program Participant Outreach

The Sponsor Agency, as mandated by HUD, is required to outreach to the community at large and other agencies to inform them of the availability of rental assistance under the Supportive Housing Program. The outreach methodology may take the form of mass mailings, announcements in local newspaper, and posting flyers in public and community agencies.

Waiting List

The maintenance of a waiting list for the Supportive Housing Programs is conducted by the designated Sponsor Agency. Placement on the waiting list is determined by the above referenced eligibility requirements and chronology. The waiting list will be checked periodically by the PCDC to determine accuracy and fairness in the ranking.

Referral

An applicant for S+C must be referred by the designated Sponsor Agency. Independent applicants will not be processed by the PCDC, but will be referred to the Sponsor Agency.

HOME TBRA applications must be referred by a Sponsor Agency, the City of Pasadena, or a recognized supportive service agency.

Supportive Services

The objective of rendering supportive services will be to assist Supportive Housing Program participants to achieve the following milestones: 1); residential stability; 2) greater self-determination; and **3)** increased skills and income.

Supportive services provided to Supportive Housing Program participants include, but are not limited to the following:

- Case Management
- Substance Abuse Recovery Counseling
- Health Care - Referrals and advocacy to meet home care and medical needs, attendant care, respite care, insurance and physician advocacy, emotional support
- Mental Health - Individual and family counseling, support groups, psychiatric and psychological services

- Substance Abuse - Treatment, counseling, and support networks

    1. Medical Screening

    2. Psycho-social and Vocational Services

    3. Advocacy/Education

    4. Art and Recreation Activities

    5. Crisis Intervention

Grant Closeout

In order to ensure that major program requirements have been met and that any remaining grant funds are recaptured, the PCDC will use the following procedures to close out grants for the SHP and S+C.

The following steps must be completed:

1. PCDC will verify that all eligible grant activities have been completed and incurred costs for such activities have been paid, except for (a) funds drawn down by the grantee and held for payment of final audit costs, where applicable, and (b) any disputed third party claims.

2. PCDC will contact the HUD field office so that the field office may verify that PCDC has satisfied its performance under the grant agreement and that there is no further need to keep the grant agreement open in order to secure performance.

3. PCDC will submit all financial, performance, and other reports required by the terms and conditions of the grant within 90 calendar days after grant expiration. If requested by PCDC, HUD may approve reasonable time extensions for submitting these reports. At a minimum, the following reports will be submitted:

    a) Final Annual Progress Report (APR).

    b) An inventory of any real property and equipment purchased with grant funds.

c) A copy of the appropriate "Grantee Closeout Certification" signed by the Housing Director and approved by the HUD Community Planning & Development Division Director or designee. An executed copy of the certification will be returned to PCDC by HUD as evidence that the grant has been closed out.

C. MONITORING

The PCDC's overall strategy for achieving its SHP goals and objectives is to make the most effective use of available resources to address the identified priority needs. The monitoring of each funded project and sub-recipient, as identified below, shall be the primary vehicle for the PCDC to ensure the effective use of these resources as well as long-term compliance with all program requirements.

General Overview

Monitoring of the sub-recipients granted Family Self Sufficiency, Housing Opportunities for Person with AIDS, S+C, HOME Tenant-Based Rental Assistance, and SHP funding shall be conducted on an annual basis. It is an ongoing process of planning, implementation, and follow-up. Monitoring is used as a tool to avoid problems and improve performance. The PCDC also views monitoring as a method of facilitating communication and building strong relations with the sub-recipients.

The following monitoring procedures will be used by the PCDC.

I) Risk Analysis

Effective in FY 2003, the City will perform an annual risk analysis on all project sponsors. The risk analysis will serve as an assessment tool to determine the type of monitoring that will be required for the project sponsor.

II) Compliance Monitoring

Monitoring Reviews

Monitoring reviews are conducted by both the Housing Department and Finance Department of the City. The Housing Department conducts program reviews and the Finance Department conducts fiscal reviews. Reviews will be based on an annual risk analysis that is performed for each SHP contract.

1) Program Reviews:

These reviews consist of onsite monitoring reviews as well as desk reviews. The onsite review is conducted as follows:

The onsite monitoring process begins with a phone call from the program coordinator to the project sponsor explaining the purpose of the monitoring visit and arranging for a mutually convenient date for the visit. The contract specialist then sends a formal notification letter that confirms the date and time and specifies the scope of the monitoring. The monitoring tool used to review the program is also attached to the notification letter.

Before the monitoring review begins, the program coordinator will conduct an entrance conference with the project sponsor. This conference will ensure that the project sponsor has a clear understanding of the purpose, scope, and schedule of the monitoring from the outset. The monitoring will primarily focus on the following areas: compliance review, documentation of homelessness, progress in achieving program goals, rent calculation when applicable, and documentation of services provided.

2) Fiscal Reviews:

Prior to scheduling, a mutually convenient time is agreed upon by the City fiscal monitor and the appropriate project sponsor personnel. A letter is sent confirming the appointment and listing the documentation that should be available on that date. Four Internal Control Questionnaires to be completed by the project sponsor are included with the letter. These questionnaires include 1) General Fiscal Management, 2) Cash Disbursement, 3) Payroll, and 4) Cash Receipts.

The scope of the review is tailored to the contract. General procedures include the following:

- Interviews with agency management and fiscal personnel to obtain an understanding of the accounting controls and procedures used.

- Review of the sponsor's written accounting policies and observation of procedures followed by staff.

- Review of past audit reports noting weaknesses, if any, and ensure compliance with OMB A-133.

- Ensuring that APRs have been completed.

Monitoring Reports

Program Reports:

At the end of the monitoring visit, the program coordinator conducts an exit conference with the appropriate project sponsor staff to present the preliminary conclusions of the monitoring. The official monitoring report will be sent within 30 days of the last date of the onsite review. This report will:

- Describe the scope of the monitoring.
- Identify any deficiencies.
- Cite any program regulations or applicable requirements that have been violated.
- Specify any corrective action that must be taken, and
- Include a deadline for correcting any deficiency.

1) Fiscal Reports:

Potential findings are discussed with project sponsors as soon as possible, preferably prior to completion of the review. Results of the review are documented and the final report is typically issued within 60 days. The report cites any deficiencies and may include the necessary corrective action. Project sponsors are required to respond to the findings within 30 days, and to submit their corrective action plan to the city for review and approval.

a) Compliance Monitoring

In order to increase contract compliance, the City is continuing implementation of the following program and fiscal measures:

- Training sessions for new project sponsors are given by fiscal and program personnel prior to the operating start date of the grant.
- Meetings are being held with project sponsors at least quarterly. These meetings focus on technical assistance to the project sponsors based on specific issues or problems that the sponsors are experiencing.

- In addition to the quarterly meetings, project sponsors are provided technical assistance upon request and with initiation of city staff if specific problems are discovered.

- Project sponsors submit progress reports with each disbursement request.

- Each SHP contract is monitored by fiscal staff once a year. In addition, between onsite reviews, fiscal staff performs limited desk reviews where specific documentation is required to support cost claims as submitted.

III) Tracking Corrective Actions Stipulated in Monitoring Reports

Program and Fiscal Issues

In order to ensure that the deficiencies identified in the monitoring report are corrected within the specified timeframe, the City uses the following procedures to track the project sponsor's response:

- When a monitoring report is issued, program staff log the date into a database to track corrective action due dates and pending issues.

- If the project sponsor responds within the time frame provided and provides documentation of corrections made, a desk review is conducted and a follow-up report is issued clearing the deficiencies. A follow up site visit is conducted within 60 days to verify compliance.

- If the project sponsor does not respond by the due date stated in the monitoring report, the program coordinator calls the project sponsor. If the project sponsor does not respond within 5 business days of the call, a written notification of delinquency is issued.

- If the sponsor is still unresponsive, the City pursues the remedies specified in its contract with the project sponsor. Such remedies include, but are not limited to, probation, temporary suspension, non-renewal for the program year, and termination.

Questioned and Disallowed Costs

The following procedures will be used in the event that through monitoring, disallowed costs are discovered:

- If the project sponsor has disallowed costs and the contract is still active, the City will enter into a repayment plan with the sponsor. Until a repayment plan is executed, no new invoices from the sponsor will be paid. The City will notify the field office of any such agreement within 15 days of a repayment schedule being executed. Any refund of disallowed costs is due and owing 30 days from the date upon which the City notified the project sponsor of the disallowance.

- If the project sponsor fails to refund any disallowed cost within the 30 day period, the City may terminate any and all contracts or agreements with the sponsor. Upon termination, the City will pursue appropriate legal action to collect the funds.

CHAPTER 21

CONSOLIDATED ANNUAL CONTRIBUTION CONTRACT

INTRODUCTION

HUD annually allocates budget authority for tenant-based rental assistance to HUD field offices based on U.S. Congressional authorization and appropriations. Section 213(d) of the HCDA of 1974 establishes the requirements for the allocation of funding to assisted public housing agencies. Budget authority subject to allocation under Section 213(d) is allocated in accordance with 24 CFR 791, Subpart D. The PCDC receives and must comply under the aforementioned provisions for the funding of its Federal Rental Assistance Programs (RAP). This Chapter outlines the requirements, procedures, and process the PCDC shall utilize to retain its RAP funding.

A. ANNUAL CONTRIBUTION CONTRACT [24 CFR 982.151]

The Annual Contribution Contract (ACC) is a written contract between HUD and the PCDC. Under the ACC, HUD agrees to make payments to the PCDC, over a specified term, for housing assistance payments to owners and for the PCDC's administrative fees. The ACC specifies the maximum payment over the ACC term. The PCDC agrees to administer the program in accordance with HUD regulations and requirements.

HUD's commitment to make payments for each funding increment in the PCDC program constitutes a separate ACC. However, commitments for all the funding increments in the PCDC program are listed in one consolidated contractual document called the Consolidated Annual Contributions Contract (Consolidated ACC). The single Consolidated ACC covers funding for the PCDC program.

B. BUDGET AUTHORITY AND CONTRACT AUTHORITY [24 CFR 982.151(b)]

Budget authority is the maximum amount that may be paid by HUD to the PCDC over the ACC term of a funding increment. Contract authority is the maximum annual payment for the funding increment. Budget authority for a funding increment is equal to contract authority times the number of years in the increment term.

For each funding increment, the ACC specifies the term over which HUD will make payments for the PCDC program, and the amount of available budget authority for the funding increment. For a given PCDC fiscal year, the amount of HUD's maximum annual payment for the PCDC program equals the sum of the contract authority for all of the funding increments under the Consolidated ACC. However, this maximum amount does not include contract authority for an expired funding increment. If the term of a funding increment expires during the PCDC's fiscal year, this maximum amount only includes the pro-rata portion of contract authority for that portion of the PCDC's fiscal

year prior to expiration. However, the amount to be paid must be approved by HUD and may be less than the maximum payment.

Additional budget authority is also distributed by a competitive process. HUD solicits applications from public housing agencies by publishing one or more notices of funding availability (NOFA) in the Federal Register. The NOFA explains how to apply for assistance and specifies the criteria for awarding the assistance. The NOFA may identify any special program requirements for use of the funding. For competitive funding under a NOFA, the applications must be submitted by PCDC in accordance with the requirements of the NOFA and/or other HUD instructions.

C. BUDGET AND EXPENDITURES [24 CFR 982.157]

Each fiscal year the PCDC must submit its proposed budget for RAP to HUD for approval at such time and in such form as required by HUD. HUD payments under an ACC or Consolidated ACC, and any other amounts received by the PCDC in connection with the program, must be used in accordance with the PCDC HUD-approved budget. Such HUD payments and other receipts may only be used for:

1. Housing Assistance Payments; and

2. PCDC Administrative Fees.

The PCDC must maintain a system to ensure that the PCDC will be able to make housing assistance payments for all families within the amounts contracted under the Consolidated ACC.

D. HOUSING ASSISTANCE PAYMENTS

Housing assistance payments are paid to the owner in accordance with the terms of the HAP Contract for units under lease with an eligible family. Housing assistance payments may only be paid to the owner during the lease term and while the family is residing in the unit.

The PCDC will determine the amount of the housing assistance payment for each family participating in the program and make timely housing assistance payments to the owner in accordance with the HAP Contract.

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

E. ADMINISTRATIVE FEES [24 CFR 982.152]

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

1. Ongoing administrative fee: The PCDC's ongoing administrative fee is paid for each unit month for which a dwelling unit is under HAP Contract on the first day of the month. The amount of the ongoing fee is established by HUD.

   HUD may reduce or offset any administrative fee to the PCDC, in the amount determined by HUD, if the PCDC fails to perform PCDC's administrative responsibilities correctly or adequately under the program.

2. Preliminary fee: The preliminary fee is paid by HUD for each new unit added to the PCDC program. The preliminary fee is a one time fee for each new unit supported by a new funding increment. HUD establishes the maximum preliminary fee.

   The preliminary fee is used to cover expenses that the PCDC documents it has incurred to help families who inquire about or apply for the program, to lease up new units, or to pay for Family Self-Sufficiency (FSS) Program activities.

3. Cost to help families who experience difficulty finding or renting appropriate housing.

4. Cost to cover necessary additional expenses incurred by the PCDC to provide reasonable accommodation for persons with disabilities.

5. Cost to coordinate supportive services for families participating in the FSS program.

6. Cost of audit by an independent public accountant; and

7. Other extraordinary costs determined necessary by HUD Headquarters.

F. ANNUAL CONTRIBUTION CONTRACT RESERVE ACCOUNT [24 CFR 982.154]

HUD establishes and maintains an unfunded reserve account called the ACC Reserve Account (formerly "project reserve") for the PCDC program from available budget authority under the Consolidated ACC. The amount in the ACC Reserve Account is determined by HUD.

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

G. ADMINISTRATIVE FEE RESERVE [24 CFR 982.155]

The PCDC must maintain an administrative fee reserve (formerly "operating reserve") for the program. There are separate administrative fee reserve accounts for the PCDC RAP. The PCDC must credit to the administrative fee reserve the total of the amount by which program administrative fees paid by HUD for the PCDC fiscal year exceed the PCDC program administrative expenses for the fiscal year, plus interest earned on the administrative fee reserve.

The PCDC must use funds in the administrative fee reserve to pay program administrative expenses in excess of administrative fees paid by HUD for a PCDC fiscal year. If funds in the administrative fee reserve are not needed to cover PCDC administrative expenses, the PCDC may use these funds for other housing purposes permitted by State and local law. However, HUD may prohibit use of the funds for certain purposes.

If the PCDC has not adequately administered any RAP, HUD may prohibit use of funds in the administrative fee reserve, and may direct the PCDC to use funds in the reserve to improve administration of the program or to reimburse ineligible expenses.

H. PROGRAM FUNDS DEPOSITARY [24 CFR 982.156]

Unless otherwise required or permitted by HUD, all program receipts must be promptly deposited with Bank of America, the financial institution selected as depositary by the PCDC in accordance with HUD requirements. The PCDC has entered into the appropriate agreement with Bank of America in the form required by HUD.

The PCDC may only withdraw deposited program receipts for use in connection with the program in accordance with HUD requirements.

If required under a written freeze notice from HUD to the depositary:

1. The depositary may not permit any withdrawal by the PCDC of funds held under the depositary agreement unless expressly authorized by written notice from HUD to depositary; and

2. The depositary must permit withdrawals of such funds by HUD.

HUD must send the PCDC a copy of the freeze notice from HUD to the depositary.

I. PROGRAM ACCOUNTS AND RECORDS [24 CFR 982.158]

The PCDC must maintain complete and accurate accounts, and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. The records must be in the form required by HUD, including requirements governing computerized or electronic forms of record keeping.

The PCDC must furnish to HUD accounts and other records, reports, documents and information, as required by HUD. The provisions for electronic transmission of required family data shall be in accordance with 24 CFR 908.

HUD and the Comptroller General of the United States shall have full and free access to all PCDC offices and facilities, and to all accounts and other records of the PCDC, including the right to examine or audit the records, and to make copies. The PCDC must grant such access to computerized or other electronic records, and to any computers, equipment or facilities containing such records, and shall provide any information or assistance needed to access the records.

J. AUDIT REQUIREMENTS [24 CFR 982.159]

The PCDC must engage and pay an independent certified public accountant to conduct audits in accordance with HUD requirements. The PCDC is subject to the audit requirements in 24 CFR 44.

CHAPTER 22

RECORDS MANAGEMENT

INTRODUCTION

The PCDC must maintain complete and accurate accounts and records for the Rental Assistance Programs (RAP) in accordance with HUD requirements and in a manner that permits a speedy and effective audit. The records must be in the form required by HUD, including requirements governing computerized or electronic forms of record keeping. The PCDC must comply with the uniform financial reporting standards in 24 CFR 5, Subpart H. HUD and the Comptroller General of the United States shall have full access to all PCDC offices and facilities, and to all accounts and other records of the PCDC that are pertinent to administration of the programs, including the right to examine or audit the records and to make copies. The PCDC shall grant such access to computerized or other electronic records, and to any computers, equipment or facilities containing such records, and shall provide any information or assistance needed to access the records. This Chapter explains the records that are required to be maintained and the systems that have been instituted to do so.

A. PROGRAM RECORDS [24 CFR 982.158(c)(e)(f)]

The PCDC shall maintain program records in accordance with Federal, State and local laws, as well as HUD and PCDC policies, regulations, and requirements. Family and applicant records will be retained for five years from the date of termination or disqualification.

During the term of each assisted lease, and for at least three years thereafter, the PCDC must retain:

1. A copy of the executed lease.

2. The HAP Contract.

3. The application from the family.

The PCDC must keep the following records for at least three years in the active case file:

1. Records that provide income, racial, ethnic, gender, and disability status data on program applicants and families.

2. An application from each ineligible applicant and notice that the applicant is not eligible.

3. HUD-required reports.

4. Unit inspection reports.

5. Lead-based paint records as required by 24 CFR 35 Subpart B.

6. Accounts and other records supporting the PCDC's budget and financial statements for the RAP.

7. Records to document the basis for PHA determination that rent to owner is a reasonable rent (initially and during the term of a HAP Contract); and

8. Other records specified by HUD.

The PCDC shall maintain and update the following information that permits the PCDC to select applicants from its waiting list in accordance with the PCDC admission policies. The waiting list shall contain the following information for each applicant listed:

1. Applicant's name.

2. Family unit size.

3. Date and time of application.

4. Qualification for any local preference; and

5. Racial or ethnic designation of the head of household.

The PCDC shall also retain the following information:

1. Copies of all public notices.

2. Briefing information packets.

3. Information on Federal, State, and local equal opportunity laws, including copies of housing discrimination complaint form.

4. PCDC notifications, letters and correspondence with applicants, participant families and owners.

5. PCDC required information including requested certifications, releases, consent forms or other documentation.

B. EMPHASYS COMPUTER SOLUTIONS (Emphasys Elite) [24 CFR 908.104]

The PCDC utilizes Emphasys Elite software. Emphasys Elite is an automated software package which allows the PCDC to transmit Forms HUD 50058 and HUD 50058 Family Self Sufficiency (FSS) Addendum information to HUD's data processing center via electronic transmission. Electronic transmission of data consists of the submission of all required data fields from Forms HUD-50058 and HUD-50058 FSS Addendum in accordance with HUD instructions.

Emphasys Elite also serves as the PCDC's comprehensive database for the processing, retention, retrieval and transmission of HUD required information for administration of the RAP. Information is stored in Emphasys Elite by applicant, participant family and owner. More specifically, Emphasys Elite is used to maintain case files, family data, owner data, certifications and re-examinations, inspections, fiscal management, and the waiting list. Emphasys Elite is an integrated software package containing numerous menus and modules which allows for the cross-referencing of files and the generation of program reports by selected data fields. In addition, the software vendor, Emphasys Elite Computer Solutions, periodically updates the Emphasys Elite program to incorporate changes or revisions in legislation, regulations, handbooks, notices, or HUD electronic transmission data format requirements. The PCDC will test all "Service Packs" and "Hot Patches" before integrating all upgrades to the live production.

C. CASE FILES

The RAP information shall also be maintained in individual applicant and participant family case files. Each case file is labeled using the name of the head of household of the applicant or participant family. The case files are stored in alphabetical order in the master file room ("master files") located in the PCDC office. (Please see **File Purging** below.)

All case files are denoted by a color-coded alpha label, which corresponds to the first letter of the last name of the head of household of the participant family. A different color has been used for each letter of the alphabet.

Each case file, with the exception of the waiting list applicant file, contains six sections wherein documents are secured and retained according to subject matter. Examples of the types of forms, documents, correspondence, etc., to be maintained in each case file are identified below and in the following order from bottom to top:

1. INSPECTIONS

- Proposed Lease Agreement
- Certificate of Inspection and Code Compliance
- Recorded Grant Deed
- Electronic Property Profile

- Current Property Tax Bill
- Statement of Property Ownership:
  - Part A - Declaration of Property Ownership
  - Part B - Housing Assistance Payments Information
  - Part C - Notarized Agent Authorization
  - Part D - Section 8 Landlord Certification
- Taxpayer Identification Number and Certification (W-9)
- Property Management Agreement, if applicable
- Partnership Agreement & Resolution for Signatory, if applicable
- Corporate Bylaws & Resolution for Signatory, if applicable
- Executed Lease Agreement
- Tenancy Addendum - Form HUD-52641-A
- Housing Assistance Payments Contract - Form HUD-52641
- Notice of Annual Re-examination/Rent Change
- Amendment to Lease

2. INSPECTIONS CORRESPONDENCE

- Request for Tenancy Approval (RFTA):
  - RFTA
  - Renting to Relatives Disclosure Notice
  - Checklist
  - Disclosure of Information on Lead-Based Paint
- Request for Missing Information, if applicable
- Rent Reasonableness Checklist and Certification:
  - Rent Increase Request
- Inspection Letters:
  - Approval
  - Annual
  - Reschedule
  - Special
  - Deficiency
  - Rent Adjustment
  - Abatement
  - Denial to Owner with Attachments
- Inspection Report – Form HUD-52580-A
- Notification of HAP Termination
- Housing Assistance Payments (HAP) Contract Letters:
  - Termination of HAP Contract
  - Extension of HAP Contract Termination
  - Rescission of HAP Contract Termination

3. ADMISSIONS/ISSUANCE

- Rental Assistance Program Application:
  - Housing Choice Voucher Program
  - HOME Program
  - HOPWA Program
  - Shelter Plus Care Program
- Agency Referral Letter:
  - HOME Program
  - Shelter Plus Care Program
  - HOPWA Program
- Individual Applicant Information Form
- Certification Briefing Package
- Housing Choice Voucher/Certificate/Coupon
- Extension Letters:
  - New
  - Move
  - Portability
- Things You Should Know - Form HUD-1140-OIG
- Lead-Based Paint Notification
- Notice of Federal Privacy Act
- Obligation of the Family
- Family Portability Information - Form HUD-52665
- What You Should Know About EIV
- Debts Owed to Public Housing Agencies and Terminations
- Current Housing Choice Voucher/Certificate/Coupon
- Current Extension Letters - Form HUD 52675

4. **VITAL STATISTICS**

- Driver License/Identification Card
  - Individual copies will be maintained for each current family member
- Social Security Card
  - Individual copies will be maintained for each current family member
- Birth Certificate/Passport:
  Translations
- Immigration Status:
  - Permanent Resident Card
  - Certificate of Naturalization Form
  - SAVE System Information
  - INS Information
- Declaration of Section 214 Status
- Marriage Certificate/Divorce Documents
- Death Certificate

- Guardianship/Child Custody:
  - Court Documents
  - Foster Care Information
- Client Screening/Criminal History Background/Police Report
- Repayment Agreement
- U.S. Military Discharge (DD-214)
- Certification of Disability Form
- Medical Letters
- Request for Reasonable Accommodation

5. OCCUPANCY CORRESPONDENCE

- Waiting List Letters:
  - Outreach
  - Preliminary Eligibility
  - Ineligibility/Disqualification
  - Interview Appointment
  - Preference Denial
  - Informal Review Decision
  - Request for Additional Information Letter
- Briefing Letters:
  - New Housing Choice Voucher/Certificate/Coupon
  - Move
- Participant Correspondence:
  - Re-examination
  - Termination of Assistance
  - Informal Review
  - Informal Hearing
  - Request for Additional Information Letter
- History Sheets
- Third-Party Verification Letters (Staff will remove verifications from this section once the third-party verifications have been received or place copies in the Occupancy section when the verifications are not returned.)

6. OCCUPANCY

- Update of Family Circumstances/Personal Declaration for Rental Assistance Benefits
- HUD Authorization for the Release of Information/Privacy Act
- Notice - Form HUD-9886
- PCDC Authorization for Release of Information
- Legal Documents
- Allowable Deductions:

- Medical (doctor visits, pharmacy, etc.)
  - School/College Enrollment Forms
  - Child Care
- Assets Related to Income:
  - Stocks
  - Financial Institution Statements
  - Real Estate
- Tenant Declaration
- Affidavit
- Income Documentation:
  - Employment
  - SS/SSI
  - TANF/General Relief/CAPI
  - Self-Employment
  - Pension
  - Annuity
  - Child Support
  - Unemployment
  - Other Income
- Third-Party Verifications
- Utility Schedule
- Payment Standard
- Worksheet
- Family Report (Form HUD-50058)
- Case File Review Checklist

D. FILE PURGING

HUD requires the PCDC to conduct a re-examination of the eligibility for each family at least annually. This includes an evaluation of the current unit condition and other factors related to the families continued participation. These requirements mean that the PCDC will collect updated information and documentation on the family's income, assets, allowances, composition and conduct a unit inspection. The information collected will be placed in the family's case file each year or as changes in family circumstances occur. The purging system assists the PCDC staff in maintaining the most critical, current information in the active case file, while still allowing access to documents which may be outdated or have a very low future retrieval value.

Unless otherwise required, each active case file will be purged according to the parameters outlined in this Chapter. Each case file shall be purged on or about the annual re-examination date of the family. In some cases there may be a need to purge a particular case file more/less frequently considering the following factors:

1. The actual size of the case file (exceedingly large, bulky, or small).

2. The filing capacity of the Master File Room.

3. Determinations by HUD, Housing Assistance Officer or designee.

For the purposes of this Chapter, the following file sections of the case file are exempt from purging:

1. Admissions/Issuance Section (Supportive Services Section for Shelter Plus Care, HOPWA and HOME Programs).

2. Vital Statistics.

No documents are to be removed from these sections at any time, unless there are numerous copies of Birth Certificates, Social Security Cards and Declaration of Section 214 Status.

All purged information shall be placed into a file folder that has been labeled with the first and last name of the family. A purge checklist will be placed in the purged file indicating the date purged, section purged and the initials of the staff member that purged the file. A copy of the purge checklist will be placed in the active file's vital statistics section and the file folder will indicate the years included. Once prepared for storage and boxed, these files shall be stored in the Records Center for an indefinite period of time. Records Center personnel shall assign the purged records a location (Shelf, Row and Box Number) which will be given to the PCDC for future reference. A master list of all purged files, indexed by the last name of the family and the status and location of the records, shall be maintained within the PCDC office by the Administrative Section. Similarly, when an active file has been terminated, the purged information shall be requested from the Records Center with a status of "permanently out," combined with the terminated file, and placed into "terminated" status.

The following lists detail each file section and the documents to be retained and/or purged from the case files.

Inspections

This section contains information related to the ownership of the current property and HAP Contract documents. If the family has moved in the last three years, the current and last unit information will be retained in the file. If a change of ownership has occurred, documentation on the last two changes of ownership will be retained if it is more than three years. The following documents shall be retained in the active case file:

- Certificate of Inspection and Code Compliance for the Current Unit
- Recorded Grant Deed for the Current Unit

- Electronic Profile / RealQuest
- Property Tax Bill for the Current Unit
- Statement of Property Ownership for the Current Owner, which includes:
  - *Part A - Declaration of Property Ownership*
  - *Part B - Housing Assistance Payments Information*
  - *Part C - Notarized Agent Authorization*
  - *Part D - Section 8 Landlord Certification*
- Taxpayer Identification Number and Certification (W-9) for Current Owner
- Property Management Agreement, if applicable
- Partnership Agreement & Resolution for Signatory, if applicable
- Corporate Bylaws & Resolution for Signatory, if applicable
- Executed Lease Agreement
- Tenancy Addendum
- Housing Assistance Payments Contract
- Mutual Agreement to Terminate Lease Agreement
- Notice of Annual Re-examination/Rent Change
- Amendment to Lease

The above-referenced documents are to be maintained in the active case file regardless of the date of the document.

Inspection Correspondence

This section contains documents related to property inspections conducted and correspondence to and from the current owner(s) and families. If the family has moved within the last three years, then the current and last unit information will be retained in the file. The following documents shall be retained in the active case file:

- Request for Tenancy Approval
  - RFTA
  - Renting to Relatives Disclosure Notice
  - Inspection Checklist
  - Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint
  - Hazards
- Request for Tenancy Approval Letter
  - Property Ownership Information
  - Rescission of Request for Tenancy Approval
- Rent Reasonableness Certification
- Inspection Letter
  - Approval Letter
  - Annual Inspection
  - Special
  - Deficiency

  - Rent Adjustment
  - Abatement
  - Denial to Owner with Attachments
- Inspection Report for the Current Unit (up to a maximum of three years if available)
- Notification of HAP Termination
- Termination of HAP/Hold Form
- HAP Contract Letters
  - Termination of HAP Contract
  - Extension of HAP Contract Termination
  - Rescission of HAP Contract Termination

The above-referenced documents are to be maintained in the active case file based on the type and date of each document. Any document(s) that does not meet the above criteria should be removed and placed into the purged file.

Admissions/Issuance - Do not purge information from this section of the case file.

Vital Statistics - Do not purge information from this section of the case file unless there are numerous copies of Birth Certificates, Social Security Cards and Declaration of Section 214 Status. Former family members will also be retained in this section under a separate tab.

Occupancy Correspondence

This section contains correspondence to and from the family, as well as requests for third-party income verifications. The purging of these documents is based on the re-examination year of the family. The following documents shall be retained in the active case file:

- History Sheets (all sheets, regardless of the date)
- Participant Correspondence for the last three re-examination years:
  - Re-examination Letter(s)
  - Termination of Assistance Notice(s)
  - Informal Review Request(s)
  - Informal Hearing Request(s)
  - Third-Party Verification Request(s) (Staff will remove verifications from this section once the third-party verifications have been received or place copies in the Occupancy section when the verifications are not returned.)
  - Request for Additional Information Letter(s)

The above-referenced documents are to be maintained in the active case file based on the type and date of each document. Any document(s) that does not meet the above criteria should be removed and placed into the purged file.

Occupancy

This section contains information related to the family's eligibility income, including completed third-party verifications and income and rent calculations. Manila dividers, labeled with the re-examination year, will be placed in this section to separate each year's annual re-examination. The purging of these documents is based on the recertification year of the family. The following documents shall be retained for the current and last two annual re-examination cycles in the active case file:

- Family Report (Form HUD 50058)
- Case File Review Checklist
- Worksheets
- Legal Documents
- Update of Family Circumstances / Personal Declaration of Rental Assistance Benefits Forms
- HUD Authorization for the Release of Information for the current and last two annual re-examinations cycles
- PCDC Authorization for Release of Information for the current and last two annual re-examinations cycles
- Third-Party Verifications for the current and last two annual re-examinations cycles
- Allowable Deductions:
  - Receipts
  - Bank Statements
  - Bills (medical, utility, etc.)
  - School/College Enrollment Forms
- Self-Certified Statement
- PCDC Authorization
- Affidavit
- Utility Schedule
- Payment Standard

Purged records shall be maintained in accordance with HUD and PCDC requirements. For all active cases, any purged information shall be documented and transferred to:

City of Pasadena, City Clerk, Records Management Section
100 N Garfield Ave., Room N030
Pasadena, CA 91109
(626) 744-4142

E. FILE ORDER

The information that is located in each section will be placed in the following order by section:

1. INSPECTIONS

Current Property Tax Bill

1. Recorded Grant Deed
2. Electronic Property Profile / RealQuest
3. Certificate of Inspection and Code Compliance
4. Property Management Agreement, if applicable
5. Partnership Agreement & Resolution for Signatory, if applicable
6. Corporate Bylaws & Resolution for Signatory, if applicable
7. IRS Taxpayer Identification Number and Certification (W-9)

Statement of Property Ownership:

- Part A - Declaration of Property Ownership
- Part B - Housing Assistance Payments Information
- Part C - Notarized Agent Authorization
- Part D - Section 8 Landlord Certification

8. Proposed Lease Agreement
9. Tenancy Addendum - Form HUD-52641-A
10. Executed Lease Agreement
11. Housing Assistance Payments Contract - Form HUD-52641
12. Amendment to Lease
13. Notice of Annual Re-examination/Rent Change

2. INSPECTIONS CORRESPONDENCE

New Contract

1. Request for Tenancy Approval Checklist
2. Renting to Relatives Disclosure Notice
3. Request for Missing Information Letter, if applicable
4. Section 8 Property Information
5. Rent Reasonableness Checklist and Certification
6. Disclosure of Information on Lead-Based Paint
7. Inspection Checklist
8. Request for Tenancy Approval - Form HUD-52517
9. Request for Tenancy Approval Letter
10. Rescission of Request for Tenancy Approval Letter
11. Inspection Report - Form HUD-52580-A
12. Unit Approval Notice

Annual/Special

The following documents will be filed in chronological order:

1. Inspection Letters:
   - Approval
   - Annual
   - Special
   - Deficiency
   - Rent Adjustment
   - Abatement
   - Denial to Owner with Attachments
   - Notification of HAP Termination

2. HAP Contract Letters:
   - Transmittal of HAP Contract
   - Termination of HAP Contract
   - Extension of HAP Contract Termination
   - Rescission of HAP Contract Termination
3. Inspection Report - Form HUD-52580-A
4. Request for Rent Increase
5. Rent Reasonableness Checklist and Certification

3. ADMISSIONS/ISSUANCE

1. Rental Assistance Program Application
2. Pre-Application Data Card
3. Home Tenant-Based Rental Assistance Program - Agency Referral Letter
4. Shelter Plus Care Program - Agency Referral Letter
5. HOPWA - Agency Referral Letter
6. Individual Applicant Information Form
7. Family Portability Information - Form HUD-52665
8. Briefing Package Certification
9. Lead-Based Paint Notification
10. Notice of Federal Privacy Act
11. Things You Should Know - Form HUD-1140-OIG
12. Obligation of the Family
13. Extension Letters:
    - New
    - Move
    - Portability
14. Housing Choice Voucher/Certificate/Coupon (current copy always remains on the top of this section)

4. VITAL STATISTICS

1. Repayment Agreement
2. U.S. Military Discharge (DD-214)
3. Notarized Documents/Child Custody (Court Documents)
4. Marriage Certificate/Divorce Documents
5. Foster Care (Court Documents)
6. INS Information
7. SAVE System Information
8. Death Certificate
9. Certificate of Naturalization
10. Permanent Resident Card
11. Birth Certificate/U.S. Passport
12. Social Security Card
13. Driver License/Identification Card
14. Declaration of Section 214 Status
15. Client Screening/Criminal History Background/Police Report
16. Certificate of Disability Form
17. Request for Reasonable Accommodation

5. OCCUPANCY CORRESPONDENCE

All letters will be filed in chronological order, with the history sheets next and copies of third-party verification letters placed on top of the history sheets.

1. Applicants/Participant Correspondence:
   - Re-examination
   - Termination of Assistance
   - Informal Review
   - Informal Hearing
   - Request for Additional Information Letter

   Briefing Letters:
   - New Housing Choice Voucher/Certificate//Coupon
   - Move

   Portability

   Waiting List Letters:
   - Outreach
   - Preliminary Eligibility
   - Ineligibility
   - Disqualification
   - Interview Appointment
   - Preference Denial
   - Informal Review Decision

2. History Sheets

3. Third-Party Verification Letters (Staff will remove verifications from this section once the third-party verifications have been received or place copies in the Occupancy section when the verifications are not returned.)

6. OCCUPANCY

1. Update of Family Circumstances / Personal Declaration for Rental Assistance Benefits Forms.

2. HUD Authorization for the Release of Information/Privacy Act Notice – Form HUD-9886.

3. PCDC Authorization for Release of Information

4. Legal Documents

5. Allowable Deductions:
   - Medical (doctor visits, pharmacy, etc.)
   - School/College Enrollment Forms
   - Child Care

6. Assets Related to Income:
   - Stocks
   - Financial Institution Statements
   - Real Estate

7. Tenant Declaration/Affidavit

8. Income Documentation:
   - Employment
   - SS/SSI
   - TANF/General Relief/CAPI
   - Self-Employment
   - Pension
   - Annuity
   - Child Support
   - Unemployment
   - Other income

9. Third-Party Verifications / EIV

10. Utility Schedule

11. Payment Standard

12. Worksheet

13. Family Report (Form HUD-50058)

14. Case File Review Checklist

15. Routing Slip

16. Divider (Year)

A divider will be placed in the Inspection section to separate information when there is a change of ownership. A divider will be placed in the Occupancy section to separate each re-examination that has been processed.

CHAPTER 23

PROGRAM INTEGRITY ADDENDUM

INTRODUCTION

The U.S. Department of Housing & Urban Development (HUD) and PCDC are committed to prevent fraud and to assure that the proper level of benefits is paid to all eligible families, and that housing resources reach only income-eligible families so that program integrity can be maintained.

The PCDC will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

This Chapter outlines the PCDC's policies for the prevention, detection and investigation of program abuse and fraud.

A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

Under no circumstances will the PCDC undertake an inquiry or an audit of a family arbitrarily. The PCDC's expectation is that families will comply with HUD requirements, provisions of the HCVP, and other program rules. The PCDC staff will make every effort (formally and informally) to orient and educate all families in order to avoid unintentional violations. However, the PCDC has a responsibility to HUD, to the community, and to eligible families in need of housing assistance, to monitor families and owners for compliance, and when indicators of possible abuse come to the PCDC's attention, to investigate such claims.

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

1. **Referrals, Complaints, or Tips.** The PCDC will follow up on referrals from other agencies, companies or persons which are received by mail, by telephone or in person, which allege that a family is in non-compliance with or otherwise violating the family obligations or any other program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the family's file.

2. **Internal File Review.** A follow-up will be made if PCDC staff discovers (as a function of an examination, re-examination, an interim re-examination, or a quality control review), information or facts which conflict with previous file data, the PCDC's knowledge of the family, or is discrepant with statements made by the family.

3. **Verification of Documentation.** A follow-up will be made if the PCDC receives independent verification or documentation which conflicts with representations in the family's file (such as public record information, Credit Bureau reports, EIV reports, or information from other agencies).

B. STEPS THE PCDC WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD

The PCDC will utilize various methods and practices (listed below) to prevent program abuse, non-compliance, and willful violations of program rules by applicants and participating families. This policy objective is to establish confidence and trust in the PCDC by emphasizing education as the primary means to obtain compliance by families.

1. **Things You Should Know.** This program integrity bulletin (created by HUD's Inspector General) will be furnished and explained to all families to promote understanding of program rules, and to clarify the PCDC's expectations for cooperation and compliance.

2. **Program Briefing Session.** Mandatory Program Briefing Sessions will be conducted by the PCDC for all prospective program participants, either prior to or upon issuance of a HCV. At the conclusion of all program briefing sessions, the family will be required to sign a "Program Briefing Applicant/Participant Certification" to confirm that all rules and pertinent regulations were explained to them.

3. **Resident Counseling.** The PCDC will routinely provide family counseling as a part of every re-examination interview in order to clarify any confusion pertaining to program rules and requirements.

4. **Review and Explanation of Forms.** The PCDC will explain all required forms and review the contents of all re-examination documents.

5. **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.

6. **Participant Certification.** All adult family members will be required to sign a “Participant Certification” form.

7. **Personal Declaration for Rental Assistance Benefits Form.** The head of household will be required to complete, sign and date this form, and obtain the signature of all adult family members. Additionally, if anyone outside of the family's household helped the head of household to complete the form, they will be required to disclose their name, relationship to the family, telephone number and sign the Certification under Section VIII of this form.

8. What You Should Know About EIV and Debts Owed to Public Housing Agencies & Terminations program forms.

9. **Other**: Information, forms and certifications as may be required by the PCDC.

C. STEPS THE PCDC WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD

The PCDC will maintain a high level of awareness to indicators of possible abuse and fraud by families.

1. **Quality Control File Reviews.** Prior to initial admission, and at the completion of all subsequent re-examinations, each family's file will be reviewed. Such reviews shall include, but are not limited to:

   a. Assurance that verification of all income and deductions is present.

   b. Changes in reported Social Security numbers or dates of birth.

   c. Authenticity of file documents.

   d. Ratio between reported income and expenditures.

   e. Review of signatures for consistency with previously signed file documents.

   f. All forms are correctly and completely filled out, dated and signed.

   g. Review and print EIV report for all annual re-examinations and cases where discrepancy in tenant reported information and EIV report exists.

2. **Observation.** The PCDC will maintain a high awareness of circumstances which may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income. The family's case file will be documented by the staff member assigned to the case and also by the inspector who conducted the

inspection of the assisted unit.

3. **Public Record Bulletins.** The PCDC may be this source.

4. **National Crime Information Center (NCIC).** The PCDC may utilize the information contained in the NCIC records database, which is maintained by the Federal Bureau of Investigations, to verify whether or not members of the family have a criminal record.

5. **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.

6. **Enterprise Income Verification System (EIV).** The PCDC will pull reports from the EIV system to verify the accuracy of the income source(s) information reported by families (for additional information regarding the EIV system, please refer to Chapter 24 of this Plan).

7. **Credit Bureau Inquiries.** Credit Bureau inquiries may be made (with proper authorization by the family) in the following circumstances:

   a. At the time of final eligibility determination.

   b. When an allegation is received by the PCDC wherein unreported income sources are disclosed.

   c. When a family's expenditures exceed his/her reported income and no plausible explanation is given.

D. THE PCDC'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD

The PCDC will encourage all participating families to report suspected abuse to their assigned Housing Assistant. All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented and placed in the family's file. All allegations, complaints and tips will be carefully evaluated in order to determine if they warrant follow-up. The PCDC will not follow up on allegations which are vague or otherwise non-specific. The PCDC will only review allegations which contain one or more independently verifiable facts.

1. **File Review.** An internal file review will be conducted to determine:

   If the subject of the allegation is a client of the PCDC and, if so, to determine whether or not the information reported has been previously disclosed by the family.

   It will then be determined if the PCDC is the most appropriate authority to do a follow-up (more so than police or social services). Any file documentation of past behavior, as well as corroborating complaints, will be evaluated.

2. **Conclusion of Preliminary Review.** If at the conclusion of the preliminary file review, there are facts contained in the allegation which conflict with file data and the facts are independently verifiable, the Housing Assistant assigned to the family's case will initiate an investigation to determine if the allegation is true or false.

E. HOW THE PCDC WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD

If the PCDC determines that an allegation or referral warrants follow-up, the staff person who is responsible for the file will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the items listed below. In all cases, the PCDC will secure written authorization from the family for the release of information.

1. **Credit Bureau Inquiries.** In cases involving previously unreported income sources, a Credit Bureau inquiry may be made to determine if there is financial activity that conflicts with the reported income of the family.

2. **Verification of Credit.** In cases where the financial activity conflicts with file data, a *Verification of Credit* form may be mailed to the creditor in order to determine the unreported income source.

3. **Employers and Ex-Employers.** Employers or ex-employers may be contacted to verify wages which may have been previously undisclosed or misreported.

4. **Neighbors/Witnesses.** Owner/owner's agent, neighbors and/or other witnesses who are believed to have direct or indirect knowledge of facts pertaining to the PCDC's review may be interviewed.

5. **Other Agencies.** Investigators, caseworkers or representatives of other benefit agencies may be contacted.

6. **Public Records.** If relevant, the PCDC will review public records kept in any jurisdictional courthouse. Examples of public records which may be checked are: real estate, marriage, divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, State wage records, utility records and postal records.

7. **Interviews with Head of Household or Family Members.** The PCDC will discuss the allegation (or details thereof) with the head of household or family member by scheduling an appointment at the appropriate PCDC office. A high standard of courtesy and professionalism will be maintained by the PCDC staff person who conducts such interviews. Under no circumstances will inflammatory language, accusations, or any unprofessional conduct or language be tolerated by the PCDC. If possible, an additional staff person will attend such interviews.

8. **Inspection of the assisted unit.** A special inspection of the assisted unit will be conducted for cases where allegations of unauthorized family members have been made.

9. **Other.** Information, inquiries and data gathering as may be required by the PCDC.

F. PLACEMENT OF DOCUMENTS, EVIDENCE AND STATEMENTS OBTAINED BY THE PCDC

Documents and other evidence obtained by the PCDC during the course of an investigation will be considered "work product" and will be kept in the family's file. Such cases under investigation will not be discussed among PCDC staff, unless they are involved in the process or have information which may assist in the investigation.

G. CONCLUSION OF THE PCDC'S INVESTIGATIVE REVIEW

At the conclusion of the investigative review, the reviewer will report the findings to the Housing Assistance Officer or designee. It will then be determined whether a violation has occurred, a violation has not occurred, or if the facts are inconclusive.

H. EVALUATION OF THE FINDINGS

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

1. The type of violation (procedural, non-compliance, fraud).

2. Whether the violation was intentional or unintentional.

3. What amount of money (if any) is owed by the family.

4. If the family is eligible for continued occupancy.

I. ACTION PROCEDURES FOR VIOLATIONS WHICH HAVE BEEN DOCUMENTED

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

1. **Procedural Non-compliance.** This category applies when the family "fails to" observe a procedure or requirement of the PCDC, but does not misrepresent a material fact, and there is no retroactive assistance payments owed by the family.

   Examples of Non-Compliance Violations Are:

   - Failure to appear at a pre-scheduled appointment.
   - Failure to submit requested information in time period specified by the PCDC.

   (a) **Warning Notice to the Family.** In such cases a notice will be sent to the family which contains the following:

   1. A description of the non-compliance and the procedure, policy or obligation which was violated.
   2. The date by which the violation must be corrected or the procedure complied with.
   3. The action which will be taken by the PCDC if the procedure or obligation is not complied with by the date specified by the PCDC.
   4. The consequences of repeated (similar) violations.

2. **Procedural Non-Compliance - Overpaid Assistance.** When the family owes money to the PCDC for failure to report changes in income or assets, the PCDC will issue a Notification of Overpayment of Assistance. This notice will contain the following:

   - A description of the violations and the dates.

- Amounts owed to the PCDC.

- Appointment date and time to discuss the overpayment calculations with the head of household and other adult(s) responsible for the overpaid rental assistance.

- The right for the family to disagree with the overpaid rental assistance amount and for the family to submit, within 30 days of the date of the scheduled appointment, information supporting their statement.

- An option of entering into a repayment agreement if assistance is not being terminated. Also, informing the family of the terms of the agreement.

(a) **Participant Fails to Comply with PCDC's Notice.** If the family fails to comply with the PCDC's notice, and a family obligation has been violated, the PCDC will initiate termination of assistance.

(b) **Participant Complies with PCDC's Notice.** When a family complies with the PCDC's notice, the staff person responsible will meet with him/her to discuss and explain the family obligation or program rule which was violated.

3. **Intentional Misrepresentations.** When a family falsifies, misstates, omits or otherwise misrepresents a material fact which results (or would have resulted) in an overpayment of housing assistance by the PCDC, the PCDC will determine whether or not:

   - The family had knowledge that his/her actions were wrong; and

   - The family willfully violated the family obligations or the law.

   Knowledge that the Action or Inaction Was Wrong. This will be evaluated by determining if the family was made aware of program requirements and prohibitions. The family's signature on various PCDC certification forms (i.e., briefing certification, Obligations of the Family and Things you Should Know) are adequate to establish knowledge of wrong-doing, etc.

   The Participant Willfully Violated the Law. Any of the following circumstances will be considered adequate to demonstrate willful intent:

   (a) An admission by the family of the misrepresentation.

   (b) That the act was done repeatedly.

(c) If a false name or Social Security number was used.

(d) If there were admissions to others of the illegal action or omission.

(e) That the family omitted material facts which were known to him/her (i.e., employment of self or other household members).

(f) That the family falsified, forged or altered documents.

(g) That the family uttered and certified to statements at any re-examination which were later independently verified to be false.

4. **Dispositions of Cases Involving Misrepresentations**. In all cases of misrepresentations involving efforts to recover monies owed, the PCDC may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

(a) **Criminal Prosecution:** If the PCDC has established criminal intent and the case meets the criteria for prosecution, the PCDC will:

- Refer the case to the local State or District Attorney, notify HUD's Regional Office of Inspector General (ROIG), and terminate rental assistance.

(b) **Administrative Remedies:** The PCDC will:

- Terminate assistance and demand payment of restitution in full.
- Terminate assistance and execute an administrative repayment agreement in accordance with the PCDC's repayment policy.
- Terminate assistance and pursue restitution through civil litigation.
- Continue assistance at the correct level upon repayment or restitution in full within 30 days.
- Permit continued assistance at the correct level and execute an administrative repayment agreement in accordance with the PCDC's repayment policy.

5. **The Case Conference for Serious Violations and Misrepresentations**. When the PCDC has established that material misrepresentations have occurred, a case conference will be scheduled with the family and the PCDC staff person who is most knowledgeable about the circumstances of the case.

   This conference will take place prior to any proposed action by the PCDC. The purpose of such conference is to review the information and evidence obtained by the PCDC with the family, and to provide the family an opportunity to explain any document findings which conflict with representations in the family's file. Any documents or mitigating circumstances presented by the family will be taken into consideration by the PCDC. The family will be given 15 days to furnish any mitigating evidence.

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

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

6. **Notification to Participant of Proposed Action.** The PCDC will notify the family by certified mail and regular U.S. mail of the proposed action, no later than 15 days after the case conference.

CHAPTER 24

ENTERPRISE INCOME VERIFICATION (EIV) SECURITY POLICY AND PROCEDURES

INTRODUCTION

The EIV system is intended to provide a single source of income-related data to PHAs for use in verifying the income reported by participants in the various assisted housing programs. The Office of Public and Indian Housing (PIH) is responsible for administering and maintaining the EIV system. The procedures in this Chapter apply to all PCDC staff that access EIV data. The purpose of this Chapter is to establish the PCDC's policies and procedures to assure that the practices, controls and safeguards used by PCDC are in compliance with the Federal laws regarding the protection of this information.

A. THE ENTERPRISE INCOME VERIFICATION SYSTEM

The EIV system applies to the following HUD-PIH rental assistance programs: Public Housing, Section 8 Moderate Rehabilitation, Project-Based Voucher, Project-Based Certificate, and Housing Choice Voucher (HCV) Programs**.**

The PCDC is required to use the EIV system in its entirety as a third party source to verify tenant employment and income information during mandatory reexaminations of family composition and income; and reduce administrative and subsidy payment errors in accordance with 24 CFR §5.236 and §5.233 and administrative guidance issued by HUD. The PCDC will monitor all the reports in EIV monthly. The PCDC will continue to update their EIV policies and procedures in accordance with current Notice PIH and reference material issued by HUD.

The EIV System is a web-based application, which provides PCDC with employment, wage, unemployment compensation and social security benefit information of tenants who participate in the Public Housing and various Section 8 programs under the jurisdiction of the PIH**.** This system is available to all PHAs nationwide. Information in EIV is derived from computer matching programs initiated by HUD with the Social Security Administration (SSA) and the U.S. Department of Health and Human Services (HHS), for all program participants with valid personal identifying information (name, date of birth (DOB), and social security number (SSN)) reported on the form HUD-50058.

B. TYPES OF UP FRONT VERIFICATION OF INCOME PROVIDED BY EIV

EIV provides various reports to assist PHAs with the following:

- Identifying tenants whose reported personal identifiers do not match the SSA database.

- Identifying tenants who need to disclose a SSN.

- Identifying tenants whose alternate identification number (Alt ID) needs to be replaced with a SSN.

- Identifying tenants who may not have reported complete and accurate income information.

- Identifying tenants who have started a new job.

- Identifying tenants who may be receiving duplicate rental assistance.

- Identifying tenants who are deceased and possibly continuing to receive rental assistance.

- Identifying former tenants of PIH rental assistance programs who voluntarily or involuntarily left the program and have a reportable adverse status and/or owe money to a PHA or Section 8 landlord.

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

- Participant-supplied income data captured on Form HUD-50058 and maintained in the PIC databases;

- U.S. Department of Health and Human Services, National Directory of New Hires (NDNH) data. NDNH becomes the single source for wage, unemployment insurance benefit information, and the new hire (employment) information;

- Social Security and Supplemental Security Income from the Social Security Administration (information formerly accessed through TASS); and

- User profile information from the PIC database.

C. WHAT EIV PARTICIPANT DATA IS USED FOR

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

- To verify a participant's eligibility for participation in a HUD rental assistance program and to determine the level of assistance the participant is entitled to receive; and

The PCDC must not adversely take action against a participant until the PHA has independently verified the EIV, and the participant has been granted an opportunity to contest any adverse findings through the established grievance hearing or other legal procedures (Chapter 7 Verification Procedures).

D. REQUIREMENTS FOR USING EIV DATA

Tenant Selection and New Admissions

The form HUD-9887, Notice and Consent for the Release of Information, signed by the applicant and each applicant family member 18 years of age and older does not need to be on file in order to use the Existing Tenant Search in EIV at the time of application processing and tenant screening. PCDC will verify all new family members to ensure they are not included in existing households currently on the program.

For all new admissions, the PCDC must:

Review the Income Report within 90 days after transmission of the move-in certification to Tenant Rental Assistance Certification System (TRACS) to confirm/validate the income reported by the household.

Resolve any income discrepancies with the household within 30 days of the Income Report date.

Print and retain the Income Report in the tenant file along with any documentation received to resolve income discrepancies.

Unreported or Underreported Income

If the PCDC determines the family unreported or underreported his/her income, the PCDC must go back to the time the unreported or underreporting of income started, not to exceed the 5-year limitation that the family was receiving assistance described on forms HUD-9887 and HUD-9887-A, and calculate the difference between the amount of rent the family should have paid and the amount of rent the family was charged. The PCDC must notify the family of any amount due and their obligation to reimburse the PCDC. A record of this calculation must be provided to the family and also retained in the family's file. Families with unreported income that goes back further than 5 years can be reported to the OIG for fraud. The PCDC will propose termination of assistance for families that had unreported or underreported income from admission and all monies

paid on the family's behalf will be considered an overpayment of rental assistance. If the amount of the overpayment is $10,000.00 or more, the case will be reported to OIG.

E. FEDERAL PRIVACY ACT

The data provided via the EIV system will be protected to ensure that it is only used for official purposes and not disclosed in any way that would violate the

privacy of the individuals represented in the system data. Privacy of data and data security for computer systems are covered by a variety of Federal laws and regulations. The Federal Privacy Act of 1974 as amended, 5 U.S.C. 552 (a), is one such regulation. The full text of the Federal Privacy Act can be accessed at http://www.opm.gov/feddata/usc552a.txt

Examples of Federal Privacy Act Violations

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

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

However, the PHA is not prohibited from discussing with the head of household (HOH) and showing the HOH how the household's income and rent were determined based on the total family income reported and verified.

F. SECURITY

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

- Conducts quarterly reviews of all User IDs issued to determine if the users still have a valid need to access the EIV data and modifies or revokes access rights as appropriate.

- At the request of the Director, updates the EIV Security Policy and Procedures.

- Maintains a key control log or audits the key control log to ensure that one is properly maintained (PCDC locking file cabinets).

- Maintains a list of users who can access the restricted areas.

- Assures that a copy of Form HUD-9886 has been signed by each member of the household, age 18 years or older, and is in the household file.

- Ensures compliance with the PHA security policies and procedures outlined in this document;

- Communicates security information and requirements to appropriate personnel, including coordinating and conducting security awareness training sessions;

- Ensures that any infractions of security procedures are promptly reported to Department Director for investigation and enforcement; and

- Ensures that all EIV records and forms (i.e. signed user agreements) are kept and updated as needed.

Security Awareness Training

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

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

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

- The trainer and the employee will both sign a certification that EIV security training has been provided. The training certification and a record of the training material provided at the awareness training will be kept in the Public Housing EIV Security Binder.

- At the end of the training, each employee will also sign the EIV Rules of Behavior and User Agreement Form. One copy will be given to the employee to be placed in their desk manual and one copy will be retained in the Public Housing EIV Security Binder. The forms will be updated once a year at the refresher training.

- The Public Housing EIV Security Officer(s) will limit the security awareness training to security awareness and compliance issues only. Instructing staff on how to navigate in the EIV modules and how to run reports or to interpret data is the responsibility of the Supervisor or designated trainer; and

- Examples of potential Privacy Act and security violations will be provided during the training.

Safeguards

The purpose of these technical safeguards is as follows:

- To reduce the risk of a security violation related to the EIV system's software, network, or applications.

- To identify and authenticate all users seeking access to the EIV system.

- To deter and detect attempts to access the system without authorization.

- To monitor the user activity of the EIV system.

- Each user is required to have their own User ID and Password.

- The User ID identifies the PHA's and tenant information that the user is authorized to access.

- Passwords are encrypted and the password file is protected from unauthorized access.

- The system forces all user to change their password every 21 days and limit the reuse of previous passwords.

- After three unsuccessful attempts to log in, the User ID is locked and the user must contact the HUD System Administrator to have the password reset; and

- Online warning messages that inform the user of the civil and criminal penalties associated with unauthorized use of the EIV system will be displayed.

In addition, the PCDC will follow the following technical security requirement:

- Public Housing will not save EIV data to a computer hard drive or any other automated information system (i.e. network drive, disk or CD).

- Public Housing staff will not leave their computer unattended with EIV data displayed on the screen.

- Public Housing staff will attend the required security awareness training; and

- Public Housing staff will not log in on another user's ID.

Administrative Safeguards

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

- Ensure that all users who have access to EIV data have an Access Authorization Form signed by the Director of Housing on file.
;
- Ensure that all users who access the EIV system have a current signed Rules of Behavior and User Agreement on file.

- Conduct quarterly reviews of all User IDs to determine if the user still has a valid need to access the EIV data; and

- Ensure the access rights are modified or revoked as appropriate.

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

- EIV Rules of Behavior and User Agreement Forms.

- EIV Access Authorization Forms.

- EIV Disposal Records List.

- EIV security violation information.
- Key control logs for secure areas or filing cabinets.
- EIV Security Awareness Training Records.
- Records of internal audits to ensure that Form HUD-9886 has been signed by each adult member of the household and is kept in the Confidential Resident File; and
- A record of all users who have approved access to EIV data, including the date access was granted and the date access was terminated.

Physical Safeguards

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

Confidential Participant Files/Envelopes

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

Locking File Cabinets for Confidential Files and Sealed Confidential Envelopes

Even though the PCDC has a monitored office building, persons unauthorized to view EIV data, such as maintenance staff, janitorial staff, or temporary staff, have access to the office spaces. In office settings where any staff other than the staff responsible for the participant file or their supervisor has access to the office, all confidential participant files will be kept in locking file cabinet.

EIV data in the confidential sealed and stamped envelopes will be kept in the family's file. If the case is terminated or purged, the confidential envelopes will be placed in the locked EIV cabinets until it is time to dispose of the EIV information.

Hard Copy Security Violations

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

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

Disposal of EIV Information

EIV data should be destroyed as soon as it has served its purpose or as prescribed by the program administrator's policy and procedures which is 3 to 5 years. All EIV originals and any documents created in association with their use should be shredded to prevent the reconstruction of the contents. Large amounts of shredded paper should not be allowed to accumulate in the bin. It is important that a log or register be maintained of all documents shredded or destroyed.

G. REPORTING IMPROPER DISCLOSURES

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

Security violations may include the following:

- Disclosure of private data.

;

- Attempts to access unauthorized data; and

- Sharing of User IDs and passwords.

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

The following contacts will be made:

- The Public Housing EIV Security Officer(s) will contact and provide the Director of Public Housing with the written documentation of the security violation.

- The Administrator or his designee will provide the HUD Field Office Public Housing Director with the written documentation; and

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

Safeguards Provided by the Federal Privacy Act

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

- Permit individuals to know what records pertaining to them are collected, maintained, used or disseminated.

- Allow individuals to prevent records pertaining to them (obtained for a particular purpose) from being used or made available for another purpose without their consent.

- Permit individuals to gain access to information pertaining to them, obtain a copy of all or any portions thereof, and correct or amend such records.

- Collect, maintain, use or disseminate personally identifiable information in a manner that ensures the information is current and accurate, and that adequate safeguards are provided to prevent misuses of such information.

- Permit exemption from the requirements of the Act only where an important public policy need exists as determined by specific statutory authority; and

- Be subject to a civil suit for any damages that occur as a result of action that violates any individual's rights under this Act.

I. UPDATING OF PHA POLICIES AND PROCEDURES

All PHAs are required to immediately implement all new and modified regulatory requirements of the Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System-Amendments. PHAs should immediately update their policies and procedures to reflect these new regulatory provisions.

PIH provided PHAs with the attached EIV system information guide that PHAs may provide to applicants and tenants of PIH rental assistance programs. The PCD distributed the documents *What You Should Know About EIV* and Form HUD 52675 to applicants and tenants to educate families about EIV and Debts Owned to PHAs & Termination Notice and to also inform them of how it affects their family. The PCDC will provide the family with a copy of each notice and maintain a signed copy in the family file.

CHAPTER 25

SPECIAL HOUSING CHOICE VOUCHER ALLOCATIONS

INTRODUCTION

The Housing Choice Voucher (HCV) program includes special voucher allocations for defined populations. These special allocations must be utilized by households meeting the specific eligibility definition for the allocation under which they will be assisted. These allocations include HCV for Non-Elderly Disabled Persons (NED) and HUD-Veteran's Affairs Supportive Housing (HUD-VASH). This chapter will outline policies and procedures for these two special allocations. Except as delineated in this chapter, these programs will be administered in adherence to the policies and procedures of the HCV program as administered by the Pasadena Community Development Commission (PCDC) and set forth in this Administrative Plan.

A. HCV FOR NON-ELDERLY DISABLED PERSONS

HCV for NED provides rental assistance to very low-income households whose head, spouse, or sole member is a person with disabilities and is less than 62 years old. These HCV are administered in two categories. Category 1 provides rental assistance to very low-income non-elderly disabled households. Category 2 provides rental assistance to very low-income non-elderly disabled persons who are living in nursing homes and other health-care institutions to allow them to transition into the community.

Applicant Eligibility Process

Applicants for these HCV must be selected from the Section 8 waiting list and meet the definition of non-elderly disabled household. In the event that Category 1 or 2 HCVs are available and there are not enough households on the waiting list that qualify for these HCVs, and the waiting list is closed, the waiting list will open for applications from very low-income non-elderly disabled households. In this case, the PCDC will limit the families that may apply to only those families that meet the eligibility requirements for the allocated Category 1 or Category 2 HCVs. The waiting list process for these applicants will be conducted in accordance with waiting list procedure as delineated in Chapter 4 of this Administrative Plan. Eligibility determination requires that all conditions of eligibility be met at the time of initial lease-up.

Outreach to Non-Elderly Persons with Disabilities

When it is necessary to open the waiting list to accept applications for HCVs for NED, information will be disseminated in accordance with Chapter 3 (B) of this Administrative Plan. Additionally, application information will be made available at agencies that serve persons with disabilities.

Affirmatively Furthering Fair Housing

As stated in Chapter 1 of this Administrative Plan, it is the policy of the PCDC to comply with the Affirmatively Furthering Fair Housing Requirements of 24 CFR Part 903.7(o). Affected applicants are informed at the HCV briefing session about how to file a fair housing complaint. Form HUD-928.1, the Equal Housing Opportunity flyer which includes the toll free Housing Discrimination hotline and Federal Information Relay Service numbers, and Form HUD-903.1, "Are You a Victim of Housing Discrimination" which includes a form for filing a housing discrimination complaint, are included in each briefing packet and reviewed during the briefing session.

Reasonable Accommodation

The PCDC's policies and procedures regarding reasonable accommodation are outlined in Chapter 1 of this Administrative Plan. These policies and procedures will be applied to:

- NED Program
- NED applicants, and
- NED participants.

Housing Search Assistance

The Pasadena Housing Resource Center, sponsored by the City of Pasadena Housing Department and available online at www.pasadenahousingsearch.com, provides detailed information about currently available, moderately priced units in Pasadena. The site includes tools to search for accessible units and units that accept rental assistance. Use of the site is free. It may also be accessed through a toll-free, bilingual call center at 1-877-428-8844. Applicants are provided information about the site at the HCV briefing session.

Recipients of Category 2 HCVs will receive assistance in locating housing from Supportive or Independent Living Service agencies, as described below.

Supportive Services for Category 2 HCVs

The State of California is participating in the Money Follows the Person (MFP) Demonstration Program. The PCDC will partner with the California Department of Health Services (CDHS) to ensure that the needed case/care management is provided to non-elderly disabled households transitioning from long-term care facilities. The CDHS Office of Long-Term Care operates the California Community Transitions Program, which assists persons who have resided in a long-term care facility for over six months as they transition back to community living. The CDHS has identified and contracted with organizations who work directly with willing and eligible individuals, support networks, and providers to facilitate and monitor their transition from facilities to community settings.

In order to facilitate the transition of non-elderly disabled persons and provide the necessary and appropriate health and social services, the CDHS has contracted with the two Regional Centers that serve the City of Pasadena. Regional Centers are mandated by the State of California to ensure the needs of their clients are met. Frank D. Lanterman Regional Center (aka Lanterman Regional Center) is the primary regional center for the City of Pasadena, but Eastern Los Angeles Regional Center and San Gabriel/Pomona Regional Center also have clients living in the city. The services and supports described below are applicable to all regional centers.

Service Coordinators make quarterly visits to each client's home to ensure that appropriate services are in place. Services include, but are not limited to, Supported Living Services (SLS), Independent Living Services (ILS), transportation, and day activity programs.

SLS and/or ILS agencies will provide the following supports to clients receiving NED HCVs:

- Locate housing that is acceptable to the HCV program, the individual tenant, and where vouchers will be accepted by landlords/owners of the property.

- Assist with completion and submission of documents required for annual HCV recertification; including completion of forms, SSA records, bank records, employment pay stubs, etc.

- Coordinate meeting dates and transportation to/from all necessary meetings, and ensure that residents are present at all meetings and inspections.

- Assist with budgeting needs, as well as other living support needs (i.e., personal attendant services, medical appointments, and other support as identified in the persons Individual Service Plan with the SLS or ILS agency, as well as the Individual Program Plan with the Regional Center) that are related to housing and community support, which assist the individual tenant(s) to maintain healthy living and their home.

- Assist residents to access all necessary medical and mental health services.

- Assist residents with all needed transition services from nursing homes, intermediate care facilities, specialized institutions and other health care institutions into the community.

- Act as ongoing liaison, as needed, between the tenant and the PCDC.

- Act as ongoing liaison, as needed, between the tenant and the property owner/manager.

- Assist with negotiating and obtaining reasonable accommodations when needed.

- Work with the regional center to provide outreach and information to property management companies in order to establish collaborative relationships to increase understanding of the housing needs of and support opportunities for individual with developmental disabilities, and the benefits of providing subsidized housing to this population.

Services are determined on a case-by-case basis. All providers working with regional center clients are monitored by the regional centers to ensure they are providing the services funded. If an agency cannot meet the needs of the client, the regional center ensures that another provider is brought in to work with the client.

B. HUD-VETERANS AFFAIRS SUPPORTIVE HOUSING

The HUD-VASH program combines HCV rental assistance for homeless veterans with case management and clinical services provided by the Department of Veteran's Affairs (VA). VA provides these services for participating veterans at VA medical centers (VAMCs) and community-based outreach clinics.

Generally, the HUD-VASH HCV is administered in accordance with regular HCV program requirements (24 CFR Section 982). However, the Act allows HUD to waive or specify alternative requirements for any provision of any statute or regulation that HUD administers in connection with this program in order to effectively deliver and administer HUD-VASH voucher assistance. The HUD-VASH Operating Requirements (including the waivers and alternative requirements from HCV program rules) were published in the Federal Register on May 6, 2008.

The PCDC may administer HUD-VASH vouchers as incoming portables from other Public Housing Authorities (PHAs) that have been assigned allocations of this special HCV, or as one of twenty-five HUD-VASH vouchers that have been allocated to the Housing Authority of the County of Los Angeles (HACoLA) and designated for homeless veterans in Pasadena. Incoming portable HUD-VASH vouchers will be administered as billable portables and not absorbed, in accordance with Notice PIH 2010-12 and section II.F. of the HUD-VASH Operating Requirements.

Applicants for the PCDC's designated twenty-five HUD-VASH vouchers will be referred to the VA Los Angeles Area Office for initial eligibility determination, including verification of homeless status and eligibility for VA healthcare services. Those applicants found initially eligible will be forwarded by the VA to HACoLA for income eligibility verification. Applicants who meet very low-income eligibility requirements will be issued HUD-VASH vouchers. These voucher holders may search for a rental unit within the City of Pasadena or HACoLA jurisdictional boundaries.

EXHIBIT A

HOUSING CHOICE VOUCHER PROGRAM

OPEN ENROLLMENT PROCESS

1. Determine open enrollment.
2. Advertise open enrollment.
3. Receive application.
    a. Date stamp application.
4. Review application.
    a. Completeness.
    b. Ensure applicant followed proper instructions on submitting application.
    c. Duplicate.
5. Application denied - transmit notification.
    a. Incomplete application.
    b. Improperly submitted.
    c. Submitted after deadline.
    d. Failed to meet eligibility criteria.
6. Application approved.
    a. Place applicant on the waiting list.
    b. Update Emphasys Elite.

(NOTE: See Exhibit B for selection of the next applicant(s) on the waiting list)

EXHIBIT B

HOUSING CHOICE VOUCHER PROGRAM

WAITING LIST ISSUANCE PROCESS

1. Determine availability of vouchers.

2. Select applicant(s) based on the PCDC's local preferences and date & time.

3. Transmit letters to selected applicants.

   A. Schedule interview.

   B Mail appointment letter with Personal Declaration for Rental Assistance Benefits, Update of Family Circumstances, HUD & PCDC Authorization for the Release of Information/Privacy Act Notice forms and Eligibility Fact Sheet.

   C. Returned letters by Post Office without forwarding address or incorrect address (non PCDC error) shall be cause for removal from the waiting list.

      1. Update record in Emphasys Elite.

   D. Letters returned with forwarding address will be mailed to the new address as the final notice.

4. Applicant interview.

   A. Require attendance of all adult household members (18 years and older).

   B. Provide brief overview of RAP.

   C. Review program forms and information with the applicant.

   D. Request third party verifications.

   E. Request criminal background history.

   F. Provide applicant with letter requesting additional/missing information.

   G. Conduct existing/former tenant search in EIV.

5. Final eligibility.

   A. Determine applicant eligibility including local preferences.

   B. Calculate anticipated TTP, maximum HAP and maximum Gross Contract Rent.

C. Update Emphasys Elite.

6. Transmit letters to applicants.

A Eligible applicants.

1. Schedule briefing session.

B. Ineligible applicants.

1. Letter of ineligibility.

a) Rights for informal review.

2. Update Emphasys Elite.

C. Denial of local preference(s).

1. Returned to waiting list.

2. Letter of denial of local preference(s).

a) Rights for an informal review.

3. Update Emphasys Elite.

7. Conduct Rental Assistance Program Briefing.

A. Distribute briefing packet.

B. Detailed review of RAP, program forms, and procedures.

C. Explain RFTA process.

D. Applicant signs voucher

E. Obtain applicant's certification of briefing and receipt of briefing packet.

F. Voucher signed by Housing Assistance Officer.

G. Update Emphasys Elite.

H. Process action "Issuance of Voucher" and transmit form HUD-50058 to MTCS.

8. Applicant's Unit Selection/Extension of Voucher Term.

   A. 60 days for participant's initial unit selection.

   B. Extension of unit selection period beyond 60 days.

      1. Applicant's written evidence of their search for a unit, an additional 120 days (total 180 days maximum) may be provided.

         a) Transmit letter of approved extension.

            1) First extension of 60 days.

            2) Second extension of 60 days.

            3) Update Emphasys Elite.

         b) Transmit letter of denial of extension

            1) Extension denied if applicant failed to provide evidence or the maximum 180 days have been provided.

            2) Update Emphasys Elite.

            3) Process action "Expiration of Voucher" and transmit form HUD-50058 to MTCS.

            4) Applicant's written evidence/documentation of a disability, an emergency circumstance or hard-to-house (requires four or more bedrooms) an extension not exceeding 180 days may be provided.

Note:

See Exhibit C for Unit Selection and Request for Tenancy Approval Process if applicant has selected a unit.

See Exhibit D for New Contract Process if selected unit has been approved.

EXHIBIT C

HOUSING CHOICE VOUCHER PROGRAM

REQUEST FOR TENANCY APPROVAL PROCESS

1. Receipt of RFTA
   A. Log & date stamp RFTA package in Emphasys Elite.

   B. Review for required information.
      1) Family
         a. RFTA.
         b. Inspection checklist.
         c. Proposed lease agreement (PCDC model lease and/or owner's lease).
         d. Renting to Relatives Disclosure Notice.
      2) Owner
         a. Recorded Grant Deed.
         b. Property Tax Bill.
         c. Certificate of Inspection and Code Compliance.
         d. Taxpayer Identification - W-9.
         e. Statement of Property Ownership.
            1. Part A - Declaration of Property Ownership.
            2. Part B - Property Management Information.
            3. Part C - Housing Assistance Payment Information.
            4. Part D - Notarized Agent Authorization.
            5. Part E - Rental Assistance Landlord Certification.
         f. Property management agreement, if applicable.
         g. Partnership agreement & resolution for signatory, if applicable.
         h. Corporate bylaws & resolution for signatory, if applicable.
         i. Lead-Based Paint Disclosure statement.

   C. Request missing required property ownership information
      1) Telephone call & letter to owner requesting submission of any missing information within 15 working days
         a. if information received within allotted time, generate and schedule initial inspection
         b. if the requested information is not received, a last & final notice will be mailed to the owner and the family

c. if information not received, rescind RFTA, issue family a new RFTA for remaining time and notify owner.

d. Initiate pre-negotiations with owner within three working days of receipt of all required information.

e. Schedule and perform HQS inspection within 5 working days of receipt of required owner information.

2) Perform HSQ inspections.

a. Perform initial inspection within five working days of receipt of required information.

1. Unit passed HQS inspection.

a) Conduct rent reasonableness comparisons.

b) Complete final negotiations.

c) Verify move-in date.

d) Transmit approval letter with terms (contract rent, utility breakdown, move-in date, lease term, security deposit, etc.).

e) Update Emphasys Elite (owner identification file).

1. Date passed.
2. Ownership/property information.
3. Census track.
4. contract rent.
5. utility allowance.
6. complete lease tracking and move-in process.
7. lease execution.

2. Unit failed HQS inspection.

a) Identify HQS deficiencies on-site.

b) Transmit HQS deficiency letter including a scheduled re-inspection date that is within 10 days of transmittal of HQS deficiency letter, unless an acceptable specific date is requested by the owner or PHA extension due to the complexity of work to be done.

c) Re-inspection.

1. If unit passed HQS re-inspection, complete tasks outlined in item No. 3 a (1).

2. if unit failed HQS re-inspection within the given time period.

a. Rescind RFTA with appropriate letters to both owner and family issue family a new RFTA for remaining time.

b. Issue family a new RFTA for remaining time.

EXHIBIT D

HOUSING CHOICE VOUCHER PROGRAM

NEW CONTRACT EXECUTION PROCESS

1. Unit approval and lease execution process completed.

   A. New admission.

      1) Housing Assistant assigned.

      2) Case file submitted to Housing Assistant for finalizing rental assistance calculations.

   B. Moves and Incoming Portables.

      1) Case file submitted to Housing Assistant for finalizing rental assistance calculations.

2. Finalize Rental Assistance Calculations.

   A. Verify third party verification are within 60 days.

      1) Request new third party verifications if verifications are older than 60 days.

   B. Verify if applicant supporting information is within 60 days.

      1) Request updated supporting documents if information is older than 60 days.

      2) Request family to complete Personal Declaration for Rental Assistance Benefits and HUD & PCDC Authorization for the Release of Information forms.

   C. Calculate tenant rent and HAP.

   D. Update Emphasys Elite.

   E. Print form HUD-50058 and Section 8 Worksheet.

3. Case File Review.

   A. Review case file for compliance, completeness and accuracy of information.

   B. Certify checklist for compliance and performance of case file review.

   C. Approval by Housing Specialist or designee.

D. Identify certification as completed in Emphasys Elite for transmission of form HUD 50058 to MTCS.

E. Place HAP on hold.

4. Transmit Housing Assistance Payments Contract documents to owner.

   A. Cover letter.

   B. HAP Contract.

5. Receive executed documents from owner.

   A. Review for consistency.

      1) HAP Contract.

      2) Lease Agreement.

      3) HUD Tenancy Addendum.

   B. Correct errors or unauthorized changes.

   C. Obtain updated signatures or initials of appropriate parties.

   D. HAP Contract signed by the Housing Assistance Officer or designee.

6. Execute HAP Contract.

   A. Process HAP payment or prorated payment.

   B. Request vendor number for new owner.

   C. Mail executed HAP Contract to owner.

   D. Mail executed copy of Lease to owner and family.

   E. Prepare and mail form HUD 52665 for incoming portable.

   F. Return case to the master file room.

(NOTE: Staff is required to document Resident History Sheet in case file when staff performs any action or task).

EXHIBIT E

HOUSING CHOICE VOUCHER PROGRAM

ANNUAL RE-EXAMINATION AND UNIT INSPECTION PROCESS

1. By the 25th day of each month identify/reconcile and distribute the list of families with anniversary dates 120 days in advance.

2. Determine the schedule for annual inspections of units under HAP contracts and the re-examination interviews of families, respectively, within five days.

3. Transmit letters for annual inspections/re-examinations to owners and families by the 25th day of each month.

    A. Families
        1. Annual inspection letter.
            a) Date of inspection no less than five days from date of letter.
        2. Annual re-examination letter.
            a) Mail annual re-examination notice.
            b) Personal Declaration for Rental Assistance Benefits form.
                1. household composition;
                2. household income;
                3. assets;
                4. vehicles and credit cards;
                5. expenses;
                6. supplemental information;
                7. other information;
                8. certification of the family;
                9. authorization for release of information.
            c) Authorization for Release of Information/Privacy Act Notice (Form HUD-9886).
            d) PCDC Authorization for Release of Information.
            e) Debts Owed to Public Housing Agencies and Terminations (Form HUD-52675).
            f) What You Should Know About EIV.
            g) Other necessary PCDC forms.
            h) Schedule date for interview, if necessary.

    B. Owner
        1. Annual Review and Renewal HAP Contract letter.

    C. Third party verifications.

4. Annual Inspection.
    A. Perform HQS inspection.
        1. Passed unit.
            a) Letter to owner with results of inspection.
            b) Review rent adjustment request & conduct rent reasonableness determination.
            c) Complete rent reasonableness checklist and certification, for contract rent increase requested by the owner.

        2. Failed unit.
            a) Identify HQS deficiencies.
            b) Transmit HQS deficiency letter with abatement & re-inspection dates.
            c) Perform re-inspection.
                1. Re-inspection date;
                2. PCDC and/or owner identify owner/tenant deficiencies;
                3. Abatement date;
                4. If HQS deficiencies not completed at time of re-inspection;
                    a. HAP Contract payment is abated the following day, if the owner-related deficiencies are not corrected;
                        1. HAP termination/owner related.
                            a. Letter to owner notifying of proposed termination of HAP Contract effective 30 days from the date of abatement with copy to tenant.
                        2. HAP termination/tenant related.
                            a. Letter to tenant with copy to owner notifying of proposed termination of HAP Contract and non-compliance of Family Obligations.
                        3. If HQS deficiencies are corrected and verified prior to date of HAP Contract termination, the termination may be rescinded.
                5. If HQS deficiencies are corrected and the unit passed, verify and update the property file with all inspection results and dates.

5. Annual/Re-certification.
    A. Review cases to become familiar with current family circumstances.
    B. Interview selected families.

C. Review Personal Declaration for Rental Assistance Benefits form, authorization forms, and Family Obligations with family.

D. Review third party verifications.

E. Review and print EIV report.

F. Perform calculations to determine tenant rent and housing assistance payment.

G. Transmit correspondence to family with a copy to owner of increased tenant rent 30 days before anniversary date.

H. Print form HUD-50058 and S8 Resident Worksheet.

I. Complete Purge Checklist form, if applicable.

J. Prepare new lease/HAP Contract if changes in the utility allowance occur.

K. Prepare Notice of Annual Re-certification/Rent Change.

1. type of action;
2. adjustment in HAP payment;
3. adjustment in tenant rent;
4. adjustment in total rent to owner;
5. effective date of action.

6. Interim Re-examination.

A. Review Update of Family Circumstances form to determine type of reported change.

B. Schedule appointment with the family to review the change(s) reported, if necessary.

C. Request third party verifications if over 120 days old.

D. Review third party verifications.

E. Review EIV report and print if report reveals a discrepancy.

F. Perform calculations to determine tenant rent and housing assistance payment.

G. Determine effective date of adjustment.

H. Transmit correspondence to family with a copy to owner 30 days in advance for increases in tenant rent.

I. Print form HUD-50058 and S8 resident worksheet.

J. Prepare Notice of Annual of Re-certification/Rent Change.

1. type of action;
2. adjustment in HAP;
3. adjustment in tenant rent;
4. adjustment in total rent to owner;
5. effective date of action.

7. Case File Review.
    A. Review case file for compliance, completeness and accuracy of information.
    B. Certify checklist for compliance and performance of case file review.
    C. Approval by Occupancy Housing Specialist and/or designee.
    D. Identify certification as complete in Emphasys Elite for transmission of form HUD 50058 to MTCS.

8. Annual Adjustment to HAP Contract
    A. Mail Notice of Annual Re-certification/Rent Change to owner with copy of Notice to family.
    B. A new lease and HAP contract will be prepared if there has been a change in the Utility Allowance.
    C. Document Resident History.
    D. Purge documents in file in accordance with Chapter 22 of this Administrative Plan.
    E. Complete File Purge Checklist.
    F. Return case to the file room.

EXHIBIT F

HOUSING CHOICE VOUCHER PROGRAM

MOVE WITH CONTINUED ASSISTANCE PROCESS

1. Family must submit a written request to move **90** days in advance of planned move date.

2. PCDC transmits Move Packet.

   A. Appointment letter with scheduled date for family's pre-move interview within 30 days of the family's written request.

   B. Move policy and procedures.

   C. Personal Declaration for Rental Assistance Benefits and Authorizations for the Release of Information/Privacy Act Notice forms.

   D. Request other information determined necessary for review of move.

   E. Request third party verifications, if necessary.

   F. Determine if a special inspection (pre-move) is required.

      1) A special inspection may be requested if the family has a documented history of annual moves without good cause or evidence of HQS violations by the family.

3. Conduct a pre-move interview with the family to review the requirements for a move with continued assistance.

   A. Review the Personal Declaration for Rental Assistance Benefits form review EIV report.

      1) Review new or existing third party verifications.

      2) Review rent receipts for last six months, written statement from owner or verify with owner current rent status.

      3) Review additional information provided by family.

      4) Review results of special inspection, if inspection was conducted.

      5) Review case to determine if family is in compliance with Family Obligations and program rules and regulations.

6) Review case to determine if family has a Repayment Agreement, verify payment history and remaining balance.

4. Move with continued assistance.

A. If the move is approved.

1) Instruct family to serve notice of intent to vacate to owner and provide a copy to PCDC.

2) Advise family that upon PCDC's receipt of said notice an appointment will be scheduled.

3) The voucher and RFTA package will be issued.

a) Distribute briefing packet.

b) Detailed review of program forms.

c) Explain RFTA process.

d) Family signs voucher.

e) Voucher signed by Housing Assistance Officer or designee.

f) Copy of voucher provided to family.

g Prepare and transmit issuance of HCV to PIC.

B. If the move is not approved.

1) Notify family of decision to deny request to move.

2) Identify the reason(s) why move was denied.

3) advise family of their right to an informal hearing.

5. Complete and submit Termination of HAP & HOLD form.

6. PCDC notification to owner of the termination of the HAP Contract as stated in the family's notice of lease termination.

7. Conduct Rental Assistance Program Briefing.

8. Family's Unit Selection/Extension of Voucher Term.

   A. 60 days for family's initial unit selection.

   B. Extension of unit selection period beyond 60 days.

      1) Family's written evidence of their search for a unit, an additional 120 days (total 180 days maximum) may be provided.

      2) Transmit letter of approved extension.

      3) First extension of 60 days.

      4) Second extension of 60 days.

      5) Update Emphasys Elite.

   C. Transmit letter of denial of extension.

      1) Extension denied if family failed to provide evidence of search effort or the maximum 180 days have been provided.

      2) Update Emphasys Elite

      3) Process End of Participation and transmit form HUD-50058 to MTCS.

      4) Family's written evidence/documentation of a disability, an emergency circumstance or hard-to-house (requires four or more bedrooms) an extension not exceeding 180 days may be provided.

Note: For continuation of this process, please refer to Exhibits "C" RFTA Process and "D" New Contract Execution Process.

EXHIBIT G

HOUSING CHOICE VOUCHER PROGRAM

PORTABILITY PROCESS

OUTGOING PORTABILITY PROCESS

1. Family must complete and submit the PCDC's Request for Portability form and is in good standing with the PCDC.

   A. Determine if family has a debt to PCDC or any other HA.

   B. Determine the specific location where the family wishes to move.

   C. Determine if portability will be granted.

2. Portability with continued assistance.

   A. If the portability is approved.

      1) Advise family of:

         a) Name of the PHA.

         b) Contact person.

         c) Telephone and fax number.

      2). Advise family of the possible redetermination of the voucher size by the RHA.

   B. If portability not approved.

      1. Notify family of disapproval of portability request:

         a) Identify the reason(s) why move was denied.

         b) Advise family of their right to an informal hearing.

3. PCDC transmits portability packet.

   A. Copy of the current form HUD-50058 and copies of the income verification for the current form HUD 50058.

   B. Personal Declaration for Rental Assistance Benefits form.

   C. Copy of HCV.

D. HUD Authorization for the Release of Information/Privacy Act Notice.

E. Family's vital statistics.

F. Family's income and asset information.

G. Provide EIV report.

(Note: the family is responsible for contacting the RHA and scheduling an appointment with the contact person who will process them as an incoming portable).

4. RHA notify the PCDC of the following:

   A. Whether they will administer or absorb the voucher.

   B. When the family leases a unit.

   C. If the family fails to submit a RFTA.

5 PCDC established billing and reimbursement arrangement with RHA. The following summarizes the relevant deadline under the portability billing procedures:

   A. Submission of Initial Billing Amount (Part II of the Form HUD-50058). Receiving PHA must submit initial billing notice (1) no later than 10 working days following the date the HAP contract was executed and (2) in time that it will be received no later than 60 days following the expiration date of the family's voucher issued by the initial PHA.

   B. Payment of First Billing Amount - Initial PHA makes payment within 30 days of receipt of Part II of the Form HUD 50058 indicating billing amount.

   C. Payment of Subsequent Billing Amounts - The initial PHA is responsible for ensuring that subsequent billing amounts are received no later than the fifth working day of each month for which the monthly billing amount is due.

   D. Notification of Change in Billing Amount or Other Action - The receiving PHA notifies the initial PHA of any change in the billing amount as soon as possible (preferably before the effective date to avoid retroactive adjustments) but in no circumstance any later than 10 working days following the effective date of the change.

6. Transmit End of Participation action to MTCS for families whose HCV expired.

EXHIBIT G

INCOMING PORTABILITY PROCESS

1. The IHA contacts PCDC to advise of incoming portable applicant/participant.

2. PCDC reviews portability packet.

   A. Schedule interview appointment.

   B Return portability packet.

3. Conduct portability interview.

   A. Applicant/participant completes Personal Declaration for Rental Assistance Benefits form, HUD Authorization for the Release of Information/Privacy Act Notice (form HUD 9886), PCDC Authorization for Release of Information form, Client Screening - Criminal History Background, and other necessary program forms.

   B. Review IHA voucher.

   C. Obtain current applicant/participant information.

   D. Determine if applicant is income eligible.

   E. Determine the unit size per PCDC subsidy and occupancy standards.

   F. Determine if a change has occurred from that stated on the form HUD 52665 and obtain a certification from the family that the information was provided to and verified by the IHA.

   G. PCDC reviews and issues HCV and RFTA.

   H. Input applicant/participant data in Emphasys Elite.

   I. Mailing of third party verifications.

   If an applicant/participant should contact the PCDC who has a voucher from an IHA, but PCDC has not been contacted by the IHA, or has not received the portability packet from the IHA, the process is as follows: **Applicant/Participant will be referred to the IHA until such time as the appropriate required documents have been received.**

Note: For continuation of this process, please refer to Exhibit "C" RFTA Process.

GLOSSARY

A. ACRONYMS USED IN SUBSIDIZED HOUSING

AAF	Annual Adjustment Factor
ACC	Annual Contributions Contract
ADA	Americans with Disabilities Act of 1990
AIDS	Acquired immune deficiency syndrome
BR	Bedroom
CalWORKs	California Work Opportunities and Responsibility for Kids
CAPI	Cash Assistance Program for Immigrants
CBA	Credit Bureau Agency
CFR	Code of Federal Regulations
COLA	Cost of Living Adjustment
CPI	Consumer price index
CR	Contract Rent
DPSS	Department of Public Social Services
EDD	Employment Development Department
EID	Earned Income Disallowance
EIN	Employer Identification Number
EIV	Enterprise Income Verification System
EOHP	Equal Opportunity Housing Plan
ERAD	Emergency Rental Assistance Deposit Program
FDIC	Federal Deposit Insurance Corporation

FEMA	Federal Emergency Management Assistance
FHA	Federal Housing Administration
FICA	Federal Insurance Contributions Act
FMR	Fair Market Rent
FMV	Fair Market Value
FR	Federal Register
FSS	Family Self Sufficiency (Program)
FY	Fiscal Year
FYE	Fiscal Year End
GAO	Government Accountability Office
GFC	Gross Family Contribution (Note: use with Certificate Program only)
GR	Gross Rent
HA	Housing agency or housing authority
HAP	Housing Assistance Payment
HAP PLAN	Housing Assistance Plan
HCDA	Housing and Community Development Act
HCV	Housing Choice Voucher
HCVP	Housing Choice Voucher Program
HMIS	Homeless Management Information System
HMO	Housing Management Officer (in a HUD Field Office)
HOME	HOME Investment Partnership Tenant Based
HOPE	Homeownership and Opportunity for People Everywhere (Program)
HOPWA	Housing Opportunity for People with AIDS

HQS	Housing Quality Standards
HUD	Department of Housing and Urban Development
HUDCAPS	HUD Central Accounting Processing System
HUDCLIPS	HUD Client Information and Policy System
IGR	Independent Group Residence
INS	Immigration and Naturalization Service
IPA	Independent Public Accountant
IRA	Individual Retirement Account
IRS	Internal Revenue Service
LBP	Lead-Based Paint
MOU	Memorandum of Understanding
MSA	Metropolitan Statistical Area
MTCS	Multi-Family Tenant Characteristics System
NCIC	National Crime Information Center
NDNH	National Directory Newly Hires
NED	Non-Elderly Disabled (Category 1 and 2)
NOFA	Notice of Funding Availability
OIG	Office of Inspector General
OMB	Office of Management and Budget
PASS	Plan for Achieving Self-Support
PBRA	Project-Based Rental Assistance Program
PCDC	Pasadena Community Development Commission
PHA	Public Housing Agency or public housing authority

PIC	Public and Indian Housing Information Center
PIH	Public and Indian Housing (HUD)
PS	Payment Standard
QC	Quality Control
QHWR	Quality Housing and Work Responsibility Act of 1998
RAC	Reasonable Accommodation Committee
RAP	Rental Assistance Program
REAC	(HUD) Real Estate Assessment Center
RFP	Request for Proposals
RFTA	Request for Tenancy Approval
RRA	Request for Reasonable Accommodation
RIGI	Regional Inspector General for Investigation
SAVE	Systematic Alien Verification for Entitlements
SEMAP	Section 8 Management Assessment Program
SHP	Supportive Housing Program
SPC/S + C	Shelter Plus Care program
SRO	Single Room Occupancy
SS	Social Security
SSA	Social Security Administration
SSI	Supplemental Security Income
SWICA	State Wage Information Collection Agencies
TANF	Temporary Assistance for Needy Families
TBRA	Tenant-Based Rental Assistance program

TR	Tenant Rent
TTD/TDY	Telecommunication Device for the Deaf/Tele Typewriter
TTP	Total Tenant Payment
UA	Utility Allowance
UIV	Up-Front Income Verification
URP	Utility Reimbursement Payment
VAWA	Violence Against Women and Justice Department Reauthorization Act of 2005

B. GLOSSARY OF TERMS IN SUBSIDIZED HOUSING

ABSORPTION. In portability (24 CFR 982, part H): the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

ACCESSIBLE. The facility or portion of the facility can be approached, entered, and used by individuals with physical handicaps.

ADJUSTED ANNUAL INCOME. Annual income, less allowable HUD deductions.

ADMINISTRATIVE FEE. Fee paid by HUD to the PHA for administration of the program. 24 CFR 982.152.

ADMINISTRATIVE FEE RESERVE (formerly "operating reserve"). Account established by PHA from excess administrative fee income. The administrative fee reserve must be used for housing purposes. 24 CFR 982.155.

ADMINISTRATIVE PLAN. The plan that describes the PCDC policies for administration of the tenant-based programs.

ADMISSION. The point when the family becomes a participant in the program. The date used for this purpose is the effective date of the first HAP Contract for a family (first day of initial lease term) in a tenant-based program.

AFFORDABLE HOUSING. Housing within the community which is decent and safe, either newly constructed or rehabilitated, that is occupied by and affordable to households whose income is very low, low or moderate. Such housing may be ownership or rental, single family or multi-family, short-term or permanent.

AMENDENT TO LEASE. A written agreement with the owner and tenant extending the terms of the existing lease.

ANNUAL CONTRIBUTIONS CONTRACT (ACC). A written contract between HUD and a PHA under which HUD agrees to provide funding for operation of the program, and the PHA agrees to comply with HUD requirements for the program.

ANNUAL INCOME. The anticipated total annual income of an eligible family from all sources for the 12-month period following the date of determination of income computed in accordance with the regulations.

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

AREA EXCEPTION RENT. An amount that exceeds the published FMR. 24 CFR 982.504(b).

"AS-PAID" STATES. States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

ASSETS. Something that has monetary value such as cash, saving account, stock in a company, a house, or a parcel of land.

ASSISTED HOUSING. Housing which receives some form of financial subsidy in order to achieve economic feasibility in the provision of affordable housing in its development or rehabilitation. Typically, the financial subsidy is from a public source, and may include loans and/or grants to the housing developer, as well as direct financial assistance to the intended occupant.

ASSISTED RENT. Any rent less than the market rent defined herein. Includes Section 236 rents that are greater than the basic rent.

ASSISTED TENANT. A tenant who pays less than the market rent as defined in the regulations. Includes tenants receiving rent supplement, Rental Assistance Payments, or Section 8 assistance and all other 236 and 221 (d)(3) BMIR tenants, except those paying the 236 market rent or 120% of the BMIR rent, respectively.

ASSISTED UNIT. The residence where the program participant resides while receiving rental subsidy.

ASSUMPTION CONTRACT. A contract that is executed with the Housing Agency and a new owner, when title to real property has been transferred. The new owner agrees to assume and perform all of the owner's duties and obligations under the contract.

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

BUDGET AUTHORITY. An amount authorized and appropriated by the Congress for payment to HAs under the program. For each funding increment in an PHA program, budget authority is the maximum amount that may be paid by HUD to the HA over the ACC term of the funding increment.

CENSUS TRACT. Equivalent to a large neighborhood area generally with a population between 1,500 and 6,000 residents.

CERTIFICATE. A document issued by the PHA under the Shelter Plus Care, HOPWA, and Section 8 Rental Assistance Program, declaring a family to be eligible for participation in this program and stating the terms and conditions for such participation. This Program was phased out by HUD beginning October 1, 1999 for Section 8 Rental Assistance Program.

CERTIFICATE HOLDER. A family holding a certificate with unexpired term.

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

CHILD CARE EXPENSES. Amounts anticipated to be paid by the family for the care of minors under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

CITIZEN. A citizen or national of the United States.

CO-HEAD. An individual in the household who is equally responsible for the lease with the head of household. A family may have a co-head or spouse but not both. A co-head never qualifies as a dependent.

COMMON SPACE. In shared housing: Space available for use by the assisted family and other occupants of the unit.

COMPUTER MATCH. The automated comparison of data bases containing records about individuals.

CONFIRMATORY REVIEW. An on-site review performed by HUD to verify the management performance of a PHA.

CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT. (Consolidated ACC). See 24 CFR 982.151.

CONSOLIDATED PLAN. The document that is submitted to HUD that serves as the planning document (comprehensive affordability strategy and community development plan) of the jurisdiction and an application for funding under any of the Community Planning and Development formula grant programs (CDBG,

ESG, HOME, or HOPWA), which is prepared in accordance with the process prescribed in 24 CFR part 91.

CONGREGATE HOUSING. Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing. A special housing type.

CONSENT FORM. Any consent form approved by HUD to be singed by assistance applicants and participants for the purpose of obtaining income information from employers and SWICA's; return information from the Social Security Administration (including wages, net earnings from self-employment, and payments of retirement income); and return information for unearned income from the Internal Revenue Service. The consent forms expire after a certain time and may authorize the collection of other information from assistance applicants or participants to determine eligibility or level of benefits.

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

CONTINUOUSLY ASSISTED. An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program.

CONTINUUM OF CARE. A comprehensive approach to addressing homelessness that recognizes the need for a coordinated social service system that includes outreach/intake/assessment, emergency shelter, transitional housing, permanent supportive housing, and permanent housing. Each of these components, except permanent housing, provides supportive services to persons as needed.

CONTRACT AUTHORITY. The maximum annual payment by HUD to a PHA for a funding increment.

CONTRACT RENT. The Contract Rent is the total rent paid to the owner, including the tenant payment and the HAP from the PHA.

COUPON. A document issued by the PHA declaring the holder is eligible to participate in the HOME tenant-based rental assistance program and stating the terms and conditions for such participation.

COVERED FAMILIES. Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which Federal, State or local law required that a member of the family must participate in an economic self-sufficiency program as a condition

for the assistance.

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

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

DISABLED FAMILY. A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

DISABLED PERSON. A person who is any of the following:

(1) A person who has a disability as defined in section 223 of the Social Security Act. (42 U.S.C.423).
(2) A person who has a physical, mental, or emotional impairment that:
    (i) Is expected to be of long-continued and indefinite duration;
    (ii) Substantially impedes his or her ability to live independently; and
    (iii) Is of such a nature that ability to live independently could be improved by more suitable housing conditions.
(3) A person who has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)).

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

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

DRUG-RELATED CRIMINAL ACTIVITY. Term means:

(1) Drug-trafficking; or
(2) Illegal use, or possession for personal use of a controlled substance

(as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

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

ELDERLY FAMILY. A family whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

ELDERLY PERSON. An individual who is at least 62 years of age.

ELIGIBLE FAMILY (Family). A family that is income eligible and meets the other requirement of the Act and Part 5 of 24 CFR.

EMANCIPATED MINOR. Where a minor becomes an adult in practice, usually by receiving a declaration of liberation from a court expressly for this purpose.

EMERGANCY RETNAL ASSISTANCE DEPOSIT PROGRAM (ERAD). A program that provides a no interest loan for security deposit for persons participating in the HCVP.

EMERGENCY SHELTER (LONG-TERM). Provides overnight shelter (for up to two months) and fulfills a client's basic needs (i.e., food, clothing, medical care), either on-site or through off-site services. Clients must follow basic rules for health and safety, and there may also be additional requirements for stay (i.e., sobriety, participation in programs, employment). An emergency shelter provides case management which links clients to the continuum of care including support services.

EMERGENCY SHELTER (SHORT-TERM). Includes temporary short-term facilities such as cold weather shelters (one day at a time), detoxification programs, and disaster shelters. In addition, this includes organizations that provide vouchers, certificates, or coupons that can be redeemed by low-income individuals or families for temporary residence in hotels, motels, or other similar facilities that provide temporary residence (up to seven days). Case management, may be or may not be, provided on site.

EMPLOYER IDENTIFICATION NUMBER. The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation.

ENTERPRISE INCOME VERIFICATION SYSTEM (EIV). Is a web based application, which provides PHA's with employment, wage, unemployment compensation, and social security benefits information of tenants who participate in the Public Housing and various Section 8 programs. (for additional information see Chapter 24 of this Administrative Plan)

ENTITY APPLICANT. A partnership, corporation, or any other association or entity, other than an individual owner applicant or a public entity, such as a HA, IHA, or State Housing Finance Agency that seeks to participate as a private owner in any of the following:

- The project-based assistance programs under Section 8 of the 1937 Act;
- The programs in 24 CFR Parts 215, 221, or 236; or
- The other mortgage and loan insurance programs in 24 CFR parts 201 through 267, except that the term "entity applicant "does not include a mortgagee or lender.

EVIDENCE OF CITIZENSHIP OR ELIGIBLE STATUS. The documents which must be submitted to evidence citizenship or eligible immigration status.

EXCEPTION RENT. In the certificate program an initial rent (contract rent plus any utility allowance) in excess of the published FMR. In the certificate program the exception rent is approved by HUD, or the HA under prescribed conditions, and is used in determining the initial contract rent. In the voucher program the PHA may adopt a payment standard up to the exception rent limit approved by HUD for the PHA certificate program.

EXCESS MEDICAL EXPENSES. Any medical expenses incurred by elderly families only in excess of 3% of Annual Income which are not reimbursable from any other source.

EXTREMELY LOW-INCOME FAMILY. A family whose income does not exceed 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

FAIR HOUSING ACT. Refers to title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988.

FAIR MARKET RENT (FMR). The rent, including the cost of utilities (except telephone) as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. See periodic publications in the Federal Register in accordance with 24 CFR 888.

FAMILY. Includes but is not limited to the following, and can be further defined in PHA policy.

- A family with or without children (the temporary absence of a child from the home due to placement in foster care is not considered in determining family composition and family size)
- An elderly family or a near elderly family
- A displaced family
- The remaining member of a tenant family
- A single person who is an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

FAMILY RENT TO OWNER. The portion of rent to owner paid by the family.

FAMILY SELF-SUFFICIENCY PROGRAM (FSS Program). The program established by a PHA in accordance with 24 CFR part 984 to promote self-sufficiency of assisted families, including the coordination of supportive services.

FAMILY SHARE. The portion of rent and utilities paid by the family. For calculation of family share.

FAMILY SHARE AT INITIAL OCCUPANCY. At the time the PHA approves a tenancy for initial occupancy of a dwelling unit by a family with tenant-based assistance under the program, and where the gross rent of the unit exceeds the applicable payment standard for the family, the family share must not exceed 40 percent of the family's adjusted monthly income.

FAMILY UNIT SIZE. The appropriate number of bedrooms for a family, as determined by the PHA under the PHA subsidy standards.

FOSTER CHILD CARE PAYMENT. Payment to eligible households by state, local, or private agencies appointed by the State, to administer payments for the care of foster children.

FULL-TIME STUDENT. A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full time for day students under the standards and practices of the educational institution attended).

FUNDING INCREMENT. Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

GROSS RENT. The sum of the contract rent plus any utility allowance. If there is no utility allowance, contract rent equals gross rent.

GROUP HOME. A dwelling unit that is licensed by a State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide).

HAP CONTRACT. Housing Assistance Payments Contract. A written contract between the PHA and owner for the purpose of providing housing assistance payments to the owner on behalf of an eligible family.

HEAD OF HOUSEHOLD. The adult member of the family who is the head of household for purposes of determining income eligibility and rent.

HOME TBRA. Tenant-based rental assistance for households in crisis who live, work, or got to school full-time in the city.

HOMELESS FAMILY WITH CHILDREN. A family composed of the following types of homeless persons: at least one parent or guardian and one child under the age of 18; a pregnant woman; or a person in the process of securing legal custody of a person under the age of 18.

HOMELESS PERSON. An emancipated youth (17 years or younger) not accompanied by an adult (18 years or older) or an adult without children, who is homeless (not imprisoned or otherwise detained pursuant to an Act of Congress or a State law), including the following:

(1) An individual who lacks a fixed, regular, and adequate nighttime residence; and an individual who has a primary nighttime residence that is:

(i) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);

(ii) An institution that provides temporary residence for individuals intended to be institutionalized; or

(iii) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

HOMEOWNER. In the homeownership option, a family of which one or more members owns title to the home.

HOMEOWNERSHIP ASSISTANCE. In the homeownership option, monthly homeownership assistance payments by the PHA. Homeownership assistance payment may be paid to the family, or to a mortgage lender on behalf of the family.

HOMEOWNERSHIP EXPENSES. In the homeownership option, a family's allowable monthly expenses for the home, as determined by the PHA in accordance with HUD requirements.

HOUSING AGENCY. A state, country, municipality or other governmental entity or public body authorized to administer the program. The term "PHA" includes an Indian housing authority (IHA). ("PHA" and "HA" mean the same thing.)

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974. Act in which the U.S. Housing Act of 1937 (sometimes referred to as the Act) was recodified, and which added the Section 8 Programs.

HOUSING ASSISTANCE PAYMENT (HAP) CONTRACT. A written contract between the PHA and an owner for the purpose of providing HAP to the owner on behalf of an eligible family.

HOUSING ASSISTANCE PAYMENT. The monthly assistance payment by a PHA, which includes: (1) A payment to the owner for rent to the owner under the family's lease; and (2) An additional payment to the family if the total assistance payment exceeds the rent to owner.

HOUSING CHOICE VOUCHER PROGRAM (HCVP). The Tenant-based Rental Assistance Program, which became effective with the merging of the Rental Certificate and Rental Voucher Programs by HUD, effective *October 1, 1999.*

HOUSING OPPORTUNITIES FOR PEOPLE WITH AIDS (HOPWA). Rental assistance for very low income persons living with HIV/AIDS.

HOUSING QUALITY STANDARDS (HQS). The HUD minimum quality standards for housing assisted under the tenant-based programs.

IMPUTED ASSET. Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

IMPUTED INCOME. HUD passbook rate multiplied by the total cash value of assets. Calculation used when assets exceed $5,000.

IMPUTED WELFARE INCOME. An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction, but is included in the family's annual income and therefore reflected in the family's rental contribution.

INCOME. Income from all sources of each member of the household, as determined in accordance with criteria established by HUD.

INCOME FOR ELIGIBILITY. HUD established income limits by family size for the area in which the PHA is located for eligibility determination at the time of admission.

INCOME INFORMATION. Information relating to an individual's income, including:

- All employment income information known to current or previous employers or other income sources;
- All information about wages, as defined in the State's unemployment compensation law, including any Social Security Number; name of the employee; quarterly wages of the employee; and the name, full address, telephone number, and when known, employer Identification number of an employer reporting wages under a State unemployment compensation law;
- Whether an individual is receiving, has received, or has applied for unemployment compensation; and the amount and the period received;
- Unearned IRS income and self-employment, wages and retirement income; and
- Wage, social security, and supplemental security income data obtained from the Social Security Administration.

INDIAN. Any person recognized as an Indian or Alaska Native by an Indian Tribe, the federal government, or any State.

INDIAN HOUSING AUTHORITY (IHA). A housing agency established either:

(1) By exercise of the power of self-government of an Indian Tribe, independent of State law, or
(2) By operation of State law providing specifically for housing authorities for Indians.

INITIAL PHA. In portability, the term refers to both: (1) A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and (2) A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

INVOLUNTARILY DISPLACED PERSON. Involuntarily Displaced Applicants are applicants who meet the HUD definition for the PHA local preference.

JURISDICTION. The area in which the PHA has authority under State and local law to administer the program.

LANDLORD. Either the owner of the property or his/her representative or the managing agent or his/her representative, as shall be designated by the owner.

LEASE. A written agreement between an owner and an eligible family for the leasing of a housing unit. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP Contract between the owner and the PHA. Note: The Section 8 Housing Choice Voucher Program has an Addendum to Lease that has mandatory language which must be incorporated into any lease the HA uses.

LIVE-IN AIDE. A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

(1) Is determined to be essential to the care and well-being of the person.

(2) Is not obligated for the support of the person.

(3) Would not be living in the unit except to provide necessary supportive services.

LOCAL PREFERENCE. A preference used by the PHA to select among applicant families.

LOW-INCOME FAMILY. A family whose annual income does not exceed 80% of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income limits higher or lower than 80% for areas with unusually high or low incomes.

MARKET RENT. The rent HUD authorizes the owner of FHA insured/subsidized multi-family housing to collect from families ineligible for assistance. For unsubsidized units in an FHA-insured multi-family project in which a portion of the total units receive project-based rental assistance, under the Rental Supplement or Section 202/Section 8 Programs, the Market Rate Rent is that rent approved by HUD and is the Contract Rent for a Section 8 Voucher holder. For BMIR units, Market Rent varies by whether the project is a rental or cooperative.

MEDICAL EXPENSES. Medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance. (A deduction for elderly or disabled families only). These allowances are given when calculating adjusted income for medical expenses in excess of 3% of annual income.

MERGER DATE. Refers to the effective date (October 1, 1999) of the merger between the Certificate and Voucher Programs as mandated by HUD.

MINOR. A member of the family household (excluding foster children) other than the family head or spouse who is under 18 years of age.

MIXED FAMILY. A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

MONTHLY ADJUSTED INCOME. One twelfth of adjusted income.

MONTHLY INCOME. One twelfth of annual income.

MULTIFAMILY TENANT CHARACTERISTICS SYSTEM (MTCS). A national computer database that collects, maintains, and reports information on families who participate in the Section 8 Certificate, Voucher, Moderate Rehabilitation and Public Housing programs.

NATIONAL. A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

NEAR-ELDERLY FAMILY. A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

NET FAMILY ASSETS. Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investments, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

NON-CITIZEN. A person who is neither a citizen nor national of the United States.

NON-ELDERLY DISABLED FAMILY. A family that does not meet the definition of an elderly family who head, spouse, or sole member is a person with disabilities.

NOTICE OF ANNUAL RE-CERTIFICATION. Notice of Annual Re-certification/Rent Change informs the property owner and program participant of any adjustment made to the Tenant Rent, HAP, and Contract Rent and it's effective date.

NOTICE OF FUNDING AVAILABLITY (NOFA). For budget authority that HUD distributes by competitive process, the Federal Register document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.

NURSING HOMES AND/OR OTHER INSTITUTIONS. Nursing homes and/or other institutions includes intermediate care facilities and specialized institutions that care for the mentally retarded, developmentally disabled, mentally ill but excludes board and care facilities (e.g., adult homes, adult day care, adult congregate living).

OWNER. Any persons or entity having the legal right to lease a unit to a participant.

PARTICIPANT (participant family). A family that has been admitted to the PHA program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP Contract executed by the PHA for the family (first day of initial lease term).

PAYMENT STANDARD. The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

PERSONS WITH DISABILITIES. A person who has a disability as defined in 42 U.S.C. 423 or a developmental disability as defined in 41 U.S.C. 6001. Also includes a person who is determined, under HUD regulations, to have a physical or mental impairment that is expected to be of long-continued and indefinite duration, substantially impedes the ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions. For purposes of reasonable accommodation and program accessibility for persons with disabilities, means and "individual with handicaps" as defined in 24 CFR 8.3. Definition does not exclude persons who have AIDS or conditions arising from AIDS, but does not include a person whose disability is based solely on drug or alcohol dependence (for low-income housing eligibility purposes). See "Individual with handicaps"

PHA PLAN. The annual plan and the 5-year plan as adopted by the PHA and approved by HUD.

PHA's QUALITY CONTROL SAMPLE. An annual sample of files or records drawn in an unbiased manner and reviewed by a PHA supervisor (or by another qualified person other than the person who performed the original work) to determine if the work documented in the files or records conforms to program requirements. For minimum sample size see 24 CFR 985.3.

PUBLIC AND INDIAN HOUSING INFORMATION CENTER (PIC). Allows PHAs to electronically submit information to HUD.

PORTABILITY. Renting a dwelling unit with Housing Choice Voucher outside the jurisdiction of the initial PHA.

PREMISES. The building or complex in which the dwelling unit is located, including common areas and grounds.

PUBLIC ASSISTANCE. Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by Federal, state, or local governments.

PUBLIC HOUSING AGENCY (PHA). Any State, county, municipality, or other governmental entity or public body or agency or instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

REAL ESTATE ASSESSMENT CENTER (REAC). An internet-worked database of comprehensive and objective information drawn from existing government systems and form an on-going program of property inspections, analysis of financial and management reports, and resident surveys.

REASONABLE RENT. A rent to owner that is not more than rent charged: (1) For comparable units in the private unassisted market; and (2) For comparable unassisted units in the premises.

RECEIVING PHA. In portability: A PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher and provides program assistance to the family.

RECERTIFICATION. Sometimes called reexamination. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported.

REMAINING MEMBER OF TENANT FAMILY. Person left in assisted housing after other family members have left and become unassisted.

RENT TO OWNER. The total monthly rent payable to the owner under the lease for the unit (also known as contract rent). Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay.

RESIDENCY PREFERENCE. A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area.

RESIDENCE PREFERENCE AREA. The specified area where families must reside to qualify for a residency preference.

RESPONSIBLE ENTITY. For the Section 8 tenant-based assistance and project based, the responsible entity means the PHA administering the program under an ACC with HUD.

SECRETARY. The Secretary of Housing and Urban Development.

SECTION 8. Section 8 of the United States Housing Act of 1937.

SECTION 8 COVERED PROGRAMS. All HUD programs which assist housing under Section 8 of the 1937 Act, including Section 8 assisted housing for which loans are made under Section 202 of the Housing Act of 1959.

SECTION 214. Section 214 of the Housing and Community Development Act of 1980, as amended. Section 214 restricts HUD from making financial assistance available for non-citizens unless they meet one of the categories of eligible immigration status specified in Section 214.

SECTION 214 COVERED PROGRAMS. The collective term for the HUD programs to which the restrictions imposed by Section 214 apply. These programs are set forth in §5.500.

SECTION EIGHT MANAGEMENT ASSESSMENT PROGRAM (SEMAP). SEMAP measures the performance of the public housing agencies that administer the housing choice voucher program in 14 key areas.

SECURITY DEPOSIT. A dollar amount (maximum set according to the regulations) which can be applied to unpaid rent, damages or other amounts to the owner under the lease.

SENIOR. A person who is at least 62 years of age.

SERVICE PERSON. A person in the active military or naval service (including the active reserve) of the United States.

SHELTER PLUS CARE. A federally funded McKinney Act Program designed to provide affordable housing opportunities to homeless individuals with mental illness, HIV/AIDS, or chronic substance abuse.

SINGLE PERSON. A person living alone or intending to live alone.

SINGLE ROOM OCCUPANCY (SRO). A unit that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities. A special housing type: See 24 CFR 982.605.

SOCIAL SECURITY NUMBER (SSN). The nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.

SPECIAL ADMISSION. Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.

SPECIFIED WELFARE BENEFIT REDUCTION. Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of a welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

SPOUSE. The person currently and legally married to the head of household. It does not cover boyfriends, girlfriends, significant others, or "co-heads."

SUBSIDY STANDARDS. Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

SUBSTANDARD UNIT/SUBSTANDARD HOUSING. See Chapter 4, Section C of this Plan.

SUPPORT SERVICES. Non-residential programs and services that provide assistance for low income persons including homeless prevention activities (to address the at-risk homeless population). Such assistance includes child care, clothing, employment services, food, HIV/AIDS services, legal services, public benefit assistance, mental health services, showers, substance abuse treatment, utility assistance, and veteran services.

SURVIVING SPOUSE OF A VETERAN. A person legally married to a Veteran at the time of the Veteran's death.

SUSPENSION. Stopping the clock on the term of a family's voucher, after the family submits a request for approval of the tenancy, until the time when the PHA approves or denies the request. This practice is also called "tolling."

TENANCY ADDENDUM. For the Housing Choice Voucher Program, the lease language required by HUD in the lease between the tenant and the owner.

TENANT. The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.

TENANT RENT TO OWNER. See "Family rent to owner."

TERM OF LEASE. The amount of time a tenant agrees in writing to live in a dwelling unit.

TOTAL TENANT PAYMENT (TTP). The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

TRANSITIONAL HOUSING. A residence that provides a maximum stay of up to two years. Clients must follow basic rules for health and safety. Support services are provided to residents both on-site and off-site. Residents are linked to a high level of rehabilitative services that include substance abuse and mental health care interventions, employment services, child care, transportation, individual and group counseling, and life skills training designed to prepare clients for service-enriched permanent affordable housing or independent-living permanent affordable housing.

UNIT. Residential space for the private use of a family.

UTILITIES. Utilities means water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection and sewage services. Telephone service is not included as a utility.

UTILITY ALLOWANCE. If the cost of utilities (except telephone) including range and refrigerator, and other housing services for an assisted unit is not included in the contract rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of a reasonable consumption of such utilities and other services for the unit by an energy conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthy living environment.

UTILITY REIMBURSEMENT PAYMENT. The portion of the housing assistance payment which exceeds the amount of rent to owner.

VACANCY LOSS PAYMENTS. (For contracts effective prior to 10/2/95) When a family vacates its unit in violation of its lease, the owner is eligible for 80% of the contract rent for a vacancy period of up to one additional month, (beyond the month in which the vacancy occurred) if s/he notifies the PHA as soon as s/he learns of the vacancy, makes an effort to advertise the unit, and does not reject any eligible applicant except for good cause.

VERY LOW INCOME FAMILY. A lower-Income family whose annual income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the housing choice voucher program.

VETERAN. A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released from under conditions other than dishonorable.

VIOLENT CRIMINAL ACTIVITY. Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

VOUCHER (Housing Choice Voucher). A document issued by a PHA to a family selected for admission to the voucher program or moving with continued assistance.

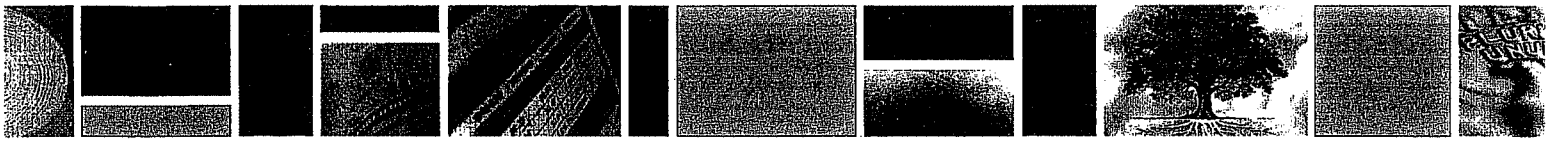
VOUCHER HOLDER. A family holding a voucher with an unexpired term (search time).

VOUCHER PROGRAM. The housing choice voucher program.

WAITING LIST. A list of families organized according to HUD regulations and PHA policy that are waiting for subsidy to become available.

WELFARE ASSISTANCE. Income assistance from Federal or State welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, child care or other services for working families. FOR THE FSS PROGRAM (984.103(b)), "welfare assistance" includes only cash maintenance payments from Federal or State programs designed to meet a family's ongoing basic needs, but does not include food stamps, emergency rental and utilities assistance, SSI, SSDI, or Social Security.

WELFARE-TO-WORK (WTW) FAMILY. A family assisted by a PHA with voucher funding awarded to the PHA under the HUD welfare-to-work voucher program.



CITY OF PASADENA
Pasadena, California

Single Audit Report on Federal Awards

Year ended June 30, 2010

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CITY OF PASADENA
Pasadena, California

Single Audit Report on Federal Awards

Year ended June 30, 2010

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Honorable Mayor and City Council
City of Pasadena, California

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

We have audited the financial statements of the City of Pasadena, California (City) as of and for the year ended June 30, 2010, and have issued our report thereon dated December 6, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all the deficiencies in the internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as items 2010-01 and 2009-01 that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention of those charged with governance.

The City's written response to the significant deficiency identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Compliance and Other Matters

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

We also noted other matters involving internal control over financial reporting that we have reported to the City Council of the City of Pasadena in a separate letter dated December 6, 2010.

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

Mayer Hoffman McCann P.C.

Irvine, California
December 6, 2010

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Honorable Mayor and City Council
City of Pasadena, California

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of City of Pasadena with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The City of Pasadena's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Pasadena's management. Our responsibility is to express an opinion on the City of Pasadena's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Pasadena's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the City of Pasadena complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

Schedule of Expenditures and Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pasadena as of and for the year ended June 30, 2010, and have issued our report thereon dated December 6, 2010. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City of Pasadena's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Mayer Hoffman McCann P.C.

Irvine, California
December 6, 2010

CITY OF PASADENA
Schedule of Expenditures of Federal Awards
Year ended June 30, 2010

	Federal Domestic Assistance Number	Program Identification Number	Program Expenditures		Amount Provided to Subrecipients
Department of Housing and Urban Development					
Direct Assistance:					
Community Development Block Grant Entitlement	14.218	n/a	$ 2,149,488	*	763,675
Community Development Block Grant Entitlement (Recovery Act)	14.253	n/a	90,686	*	-
Section 108 Loan - Fair Grove Shopping Center	14.248	n/a	344,093		65,348.00
Total CDBG Entitlement and Small Cities Grants			2,584,267		829,023
Section 8 Rental Voucher Program	14.871	CA079VO	11,413,200		-
Homelessness Prevention and Rapid Re-Housing Program (HPRP)	14.257	n/a	220,578	*	
Emergency Shelter Grant Program	14.231	n/a	97,383		97,383
Supportive Housing	14.235	n/a	1,141,687		-
Shelter Plus Care	14.238	n/a	643,776		-
Home-Investment in Affordable Housing	14.239	n/a	1,961,824		-
Total direct assistance			18,062,715		926,406
Passed through the City of Los Angeles:					
Home Opportunities for Persons with AIDS	14.241	C98522	52,737		-
Total Department of Housing and Urban Development			18,115,452		926,406
Department of Labor					
Passed through the State of California Employment Development Department:					
Workforce Investment Act - Adult	17.258	R970533, K04137	463,969	*	75,440
Workforce Investment Act - Youth	17.259	R970533, K04137	554,073	*	169,706
Workforce Investment Act - Dislocated Worker	17.260	R970533, K04137	700,950	*	197,871
Workforce Investment Act - Rapid Response	17.260	K04137	280,814	*	-
Workforce Investment Act - Foster Youth	17.207	K04137	146,709		-
Workforce Investment Act- IndyMac Bank	17.260	R970533	275,182	*	91,265
Workforce Investment Act- CalGRIP	17.261	R970533	406,882		-
Workforce Investment Act- Economic Stimulus 2	17.260	R970533	45,102	*	22,738
Workforce Investment Act- Economic Stimulus 3	17.260	R970533	120,586	*	58,423
Workforce Investment Act- RR with Participants	17.260	K04137	8,683	*	-
Workforce Investment Act- New Start 15% DW Aug	17.258	R970533	27,934	*	20,438
Workforce Investment Act- ARRA Adult	17.258	R970533	245,856	*	88,504
Workforce Investment Act- ARRA Dislocated Worker	17.260	R970533	528,058	*	195,619
Workforce Investment Act- ARRA Youth	17.259	R970533	592,161	*	-
Workforce Investment Act- ARRA Rapid Response	17.260	R970533	118,295	*	-
Workforce Investment Act- ARRA Auto Tech	17.258	K04137	49,102	*	-
Total Department of Labor			4,564,356		920,004

* Major program
n/a = not available

(Continued)

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

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

	Federal Domestic Assistance Number	Program Identification Number	Program Expenditures	Amount Provided to Subrecipients
Department of Health and Human Services				
Passed through the State of California:				
Department of Health Services:				
Immunization Subvention Funds	93.268	09-11288	14,740	-
Immunization Subvention Funds - ARRA	93.712	09-11288	41,258	-
Immnunization Collaborative Funds	93.268	09-11288	19,934	-
Immnunization Collaborative Funds - ARRA	93.712	09-11288	60,786	-
Medi-Cal Administrative Claiming	93.778	98-16250	234,226	-
Child Lead Poison Prevention	93.197	95-6000759	90,380	-
Centers for Disease Control and Prevention - TB Control	93.283	TBCSGF9076	49,477	-
MCH County and Comprehensive Prenatal Outreach	93.994	200961	110,801	-
MCH Block Infant	93.994	200961	285,811	-
Targeted Case Management	93.778	n/a	50,360	-
Child Health Development - Foster Care Program	98.658	n/a	73,544	-
Child Health and Disability Prvention Program - Gateway	93.778	n/a	198,508	-
Passed through the County of Los Angeles:				
Alcohol and Drug Abuse/Mental Health - CPRP	93.992	H210267	202,333	-
Alcohol and Drug Abuse/Mental Health - General Relief	93.992	H210437	20,231	-
Alcohol and Drug Abuse/Mental Health - CALWORKS	93.992	H209122A	13,351	-
AIDS HIV Early Intervention	93.915	H209212	959,537	-
Bio-Terrorism	93.069	H-701584	505,219	-
Total Department of Health and Human Services			2,930,496	-
Department of Justice				
Direct Assistance:				
COPS More 2002 - Crime Analysis Software	16.710	2002CMWX0142	164,793	-
Asset Forfeiture	16.000	CA0195300	286,792	-
Elder Abuse and Advocacy and Outreach Program	16.575	EA09-12-7625 / EA08-11-7625	78,426	-
Passed through the City of Los Angeles:				
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.804	2009-SB-B9-2024	199,160 *	-
Total Department of Justice			729,171	-
Department of Treasury				
Direct Assistance:				
Asset Forfeiture	21.000	CA 1953	45,026	-
Total Department of Treasury			45,026	-
Department of Agriculture				
Passed through the State of California Department of Agriculture:				
Supplemental Food Program for Women, Infants and Children (WIC)	10.557	08-85456 A01	1,158,735 *	-
Total Department of Agriculture			1,158,735	-

* Major program
n/a = not available

(Continued)

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

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

	Federal Domestic Assistance Number	Program Identification Number	Program Expenditures	Amount Provided to Subrecipients
Department of Transportation				
Passed through the California Department of Transportation:				
Highway Planning and Construction	20.205	Various	414,488 *	-
Highway Planning and Construction - ARRA	20.205	ESPL-5064(061)	3,479,477 *	-
Federal Transit Capital Investment Grant - ARRA	20.500	Various	312,877	-
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	SAG455127-10	46,400	-
State and Community Highway Safety	20.600	Various	297,572	-
Total Department of Transportation			4,550,814	-
Department of Homeland Security				
Passed through the County of LA				
2007 State Homeland Security Grant Program	97.005	2007-0008,OES#37-00000	50,000	-
2008 State Homeland Security Grant Program	97.005	2008-0006,OES#37-00000	720,300	-
Passed through the City of Los Angeles				
2006 Urban Areas Security Initiative	97.008	C-112112	5,607	-
2007 Urban Areas Security Initiative	97.008	C-114337,OES#037-95050	199,364	-
2008 Urban Areas Security Initiative	97.008	C-116131	292,641	-
Total Department of Homeland Security			1,267,912	-
Total Expenditures of Federal Awards			$33,361,962	1,846,410

* Major program
n/a = not available

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

CITY OF PASADENA

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2010

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

(a) Scope of Presentation

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

(b) Basis of Accounting

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

(c) Subrecipients

During the fiscal year ended June 30, 2010, the City disbursed $1,846,410 to subrecipients to be used for the federally allowable expenditures in accordance with the grant agreements.

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

Total grant expenditures for the Elder Abuse and Advocacy and Outreach Program of $78,426 are for operating expenditures of two grant years. The City's match on the Victims of Crime Act (VOCA) grant were operating expenditures of $22,500 for grant year ending September 30, 2010 and $19,125 for grant year ending September 30, 2009.

CITY OF PASADENA

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

(A) Summary of Auditors' Results

1. An unqualified report was issued by the auditors on the financial statements of the auditee.

2. There were no material weaknesses in internal control over financial reporting. There was one significant deficiency in internal control over financial reporting that we described as item 2010-01 and 2009-01.

3. The audit disclosed no noncompliance which is material to the financial statements of the auditee.

4. There were no material weaknesses in internal control over the major programs of the auditee.

5. An unqualified report was issued by the auditors on compliance for major programs.

6. The audit disclosed no audit findings required by the auditors to be reported under paragraph .510(a) of OMB Circular A-133.

7. The major programs of the auditee were as follows:

   - Department of Agriculture – Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) – CFDA #10.557
   - Department of Housing and Urban Development – Homelessness Prevention and Rapid Re-Housing Program – CFDA # 14.257
   - Department of Justice – Edward Byrne Memorial Justice Assistance Grant – CFDA# 16.804
   - Department of Transportation – Highway Planning and Construction – CFDA #20.205
   - Department of Housing and Urban Development – Community Development Block Grant Cluster – CFDA #14.218 and CFDA # 14.253
   - Department of Labor – Workforce Investment Act Program Cluster – CFDA #17.258, 17.259, 17.260

8. The dollar threshold used to distinguish Type A and Type B programs were $1,000,859.

9. The auditee was considered a low risk auditee for the year ended June 30, 2010 for the purposes of determining major programs.

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

(2010-01) Need to Improve Control over Paramedic Billing and Collections

During our review of the accounts receivable, we noted that the recorded Paramedic Receivables as of June 30, 2010 were over $7 million with allowance for doubtful account calculated as 50% of the receivable amount. Fiscal Year 2010 is the first year that the City contracted a third party to perform billing and collection for Paramedic receivables. There was no yearend accounts receivable aged report that was presented for audit purposes because the City is unable to obtain such report from its contractor. We reviewed the report that the City obtained from the contractor which shows a summary of monthly billing amounts and collections and noted that there is a column for "Unbilled and Write Off" that amounted to over $1 million. Per our inquiry with City personnel, this amount represents amounts that are not billed pending additional information to complete the billing. As a best practice, a year end aging report should be periodically reviewed for old and slow-paying accounts. Additionally, the City should be able to obtain a detail of the unbilled and write off balance to be reviewed and ensure that there haven't been any write-offs not unauthorized by the City.

Recommendation

We recommend that the City continue their effort in working together with the contractor to improve control over billing and collection of the Paramedic Receivable.

Management's Comments Regarding Corrective Actions Planned

Management concurs with the auditors recommendations. As commented on above, the outside vendor was unable to provide a detailed accounts receivable aging at year end. Subsequently such a report has been received and staff is carefully reviewing and will implement further actions to validate the vendor data and improve the timely receipt of proper documentation from the vendor.

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

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

CITY OF PASADENA

Summary Schedule of Prior Audit Findings

Year ended June 30, 2010

The following is the status of prior audit findings:

(09-1) Enhancing Controls over Supplies Inventory

The City has a formal policy regarding inventory cycle counts. Cycle counts are performed regularly in accordance with the policy, with a focus on high-value material items. During the audit of fiscal year ended June 30, 2009 results of the cycle counts performed were validated through our physical inventory observation, although it was noted that one high ticket item that had been withdrawn from inventory remained reflected as inventory in the City's accounting records. It is important to identify and remove withdrawn inventory from the accounting records in a timely manner.

Recommendation

We recommend that the City continue to improve policies and procedures to enhance proper accountability over inventory records and physical inventory counts.

Status

Not Resolved. During year ended June 30, 2010, the City's Internal Auditor conducted an audit on controls over inventory of supplies. The internal auditor observed a cycle count of switches on three days in June 2010 and the result indicated that eight switches may have been withdrawn from inventory but remained as inventory in the accounting records. As of year-end these switches could not be identified and the City's accounting records had to be adjusted accordingly.

Management's Comments Regarding Corrective Actions Planned

PWP staff concurs with the recommendation for continued improvement of policies and procedures to ensure proper accountability of inventory records. Field personnel have received additional instruction as to the proper procedures to follow when requisitioning material. However, there are circumstances under which complete requisition information is not available at the time material is needed. PWP field operations personnel are required to respond to emergency power interruptions or water main breaks, often after regular business hours when materials inventory staff is not available. PWP has enhanced materials requisition procedures for emergency responses and will continue to pursue utility industry best-practices for managing inventory requisitions while ensuring that timeliness for emergency responses remains a top priority.

Although eight electrical switches were identified during the physical inventory count that had been withdrawn from inventory but remained in inventory based on accounting

(09-1) Enhancing Controls over Supplies Inventory (Continued)

Management's Comments Regarding Corrective Actions Planned (Continued)

records, five of those switches were later located and properly classified. Only three electrical switches were included in the adjustment of accounting records.

Beginning in July 2010, materials inventory staff has implemented a tracking system whereby all items for which a requisition has not been issued are tracked in a separate log that includes the item number and description of the material to be removed, along with the date and name of the crew supervisor responsible for removing the material. The log book is then reconciled with actual work orders and requisitions issued with any differences resolved over a two week period.

In addition, a fence has been installed around the materials inventory that does not require forklift relocation to improve security. The fence ensures that proper paperwork and procedures are followed before material is issued. Additional security cameras will also be installed throughout the materials storage area to provide additional security for materials and equipment.