ADMINISTRATIVE PLAN FOR THE HOUSING CHOICE VOUCHER PROGRAM

As approved by the Board of Commissioners:

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CONVICTION & E L I G I B I L I T Y D E N I A L K E Y (F O R GUIDANCE PURPOSES ONLY)..... 1

CHAPTER 1: OVERVIEW OF THE PROGRAM

1.1 INTRODUCTION

The Housing Authority of Baltimore City (HABC) is a Public Housing Authority (PHA) that was established in 1937 to provide federally-funded housing programs and related services for Baltimore's low-income residents. As one of the oldest and largest PHAs in the United States, HABC is committed to its mission to create and provide quality affordable housing opportunities in sustainable neighborhoods.

HABC administers the Housing Choice Voucher Program (HCV), which includes both Tenant-Based Vouchers (TBV) and Project-Based Vouchers (PBV), to help eligible families secure affordable housing in the private market or in designated project-based developments.

This Administrative Plan outlines the policies and procedures that guide the operation of HABC's HCV program in accordance with federal regulations issued by the U.S. Department of Housing and Urban Development (HUD).

Administration of the HCV Program and the functions and responsibilities of HABC staff shall comply with HABC's Personnel Policy, this Administrative Plan, HABC's Moving to Work (MTW) Agreement, MTW Plans and Reports, and all applicable HUD Regulations as well as all federal, state and local laws and regulations.

1.2 MISSION, VISION, AND CORE VALUES

HABC's mission is to create and provide quality, affordable housing opportunities in sustainable neighborhoods for the people we serve.

HABC's vision is to create diverse and vibrant communities; to provide opportunities for self-sufficiency; and to build pathways for strong partnerships.

HABC's core values are: responsiveness & accountability, leadership & teamwork, excellence, sustainability, community & partnerships.

1.2.1 Goals – The Four C's of HABC

Community	Collaboration	Customer Service	Communication
Improve the housing and quality of life for the people we serve.	Build upon our commitment to strong partnerships with residents, employees, government, nonprofit and business communities.	Increase efficiency, responsiveness, and accountability in the services we provide to our internal and external clients.	Create clear and consistent communication.

1.2.2 HABC Strategic Goals

Strategic Goal #1: Increase the availability of decent, safe and affordable housing.
Goal - Improve the quality of assisted housing
Objectives: • Increase the number of rental units meeting and being maintained at HABC's housing quality standards.
Goal - Expand the supply of assisted housing
Objectives: • Apply for additional vouchers to serve special purpose needs. • Leverage private or other public funds to create additional housing opportunities.
Goal – Increase customer satisfaction
Objectives: • Concentrate on efforts to improve specific management functions. • Conduct mobility counseling and offer housing search assistance and expand housing opportunities. • Coordinate with communities to ensure housing quality standards of HCV properties. • Adequately fund and staff Management Information Systems (MIS) and improve provision of information.
Goal – Increase assisted housing choices
Objectives: • Provide voucher mobility counseling. • Conduct outreach efforts to potential voucher landlords. • Support the voucher homeownership program.
Strategic Goal #2: Promote self-sufficiency and asset development of families and individuals
Goal: Promote self-sufficiency and asset development of assisted households
Objectives: • Increase the number and percentage of employed persons in assisted families; • Provide or attract supportive services to improve employment opportunities; • Coordinate with agencies that provide supportive services to increase independence for the elderly or families with disabilities.
Strategic Goal #3: Ensure equal opportunity in housing for all Americans
Goal: Ensure equal opportunity and affirmatively further fair housing.
Objectives: • Ensure access to assisted housing regardless of race, color, religion, national origin, sex, familial status, sexual orientation, gender identity, marital status, and/or disability; • Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of protected class; Ensure accessible housing to persons with all varieties of disabilities regardless of unit size required.

1.2.3 Other HABC Goals

Consistent with the Baltimore City Consolidated Plan for Fiscal Years 2021-2025, HABC's HCV program is aligned around the following goals:

- **Increase Affordable Housing Opportunities**: Expand the availability of affordable housing options for low- and moderate-income households.
- **Preserve Existing Housing Stock**: Maintain and improve the quality of current affordable housing to ensure long-term sustainability.
- **Support Community Revitalization**: Collaborate with Community Development Corporations (CDCs) and other stakeholders to rejuvenate neighborhoods and enhance residents' quality of life.
- **Assist Special Needs Populations**: Provide targeted housing solutions and supportive services for individuals and families with special needs, including those experiencing homelessness.
- **Promote Homeownership**: Facilitate pathways to homeownership for low- and moderate-income families through counseling and financial assistance programs.
- **Ensure Programmatic Excellence**: Maintain high performance standards and compliance in the administration of housing programs, ensuring efficient and effective service delivery.

1.3 JURISDICTION

The jurisdiction of HABC is primarily within the City of Baltimore's territorial boundary. However, HABC may administer rent subsidy payments and assistance programs in adjacent jurisdictions, as permitted by State Law, if that jurisdiction does not administer assistance programs and/or accept Housing Choice Vouchers from Baltimore City.

1.4 OVERVIEW OF THE PLAN

1.4.1 Purpose of the Plan

The purpose of HABC's HCV Administrative Plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements, MTW Activities, and the goals and objectives contained in this Plan. HABC will revise this Administrative Plan as needed to comply with changes in Federal, State and local regulations and to meet new and revised HABC goals and objectives as developed under the MTW Agreement.

1.4.2 Rules and Regulations

This Administrative Plan is set forth to define HABC policies for operation of the housing programs in the context of Federal laws and Regulations. All issues related to the HCV Program that are not addressed in this document are governed by Federal Regulations, HUD Memos, or HUD Notices and guidelines, or other applicable laws. The policies in this Administrative Plan have been designed to ensure compliance with the HUD/HABC MTW Plan and all HUD-approved applications for program funding.

See the **GLOSSARY** for a list of terms and definitions used throughout this Plan.

1.4.3 Updating and Revising the Plan

HABC may amend or modify any HABC policy, rule or regulation or other aspect of the plan. If the amendment or modification is a significant amendment or modification, HABC:

- May not adopt the amendment or modification until HABC has duly called a meeting of its Board of Commissioners and the meeting, at which the amendment or modification is adopted, is open to the public; and
- May not implement the amendment or modification, until notification of the amendment or modification is provided to HUD in accordance with the HUD/HABC MTW Agreement.

1.4.4 Regulatory and Statutory Waivers

During periods of declared states of emergency, as certified by the applicable government designee with authority in HABC's jurisdiction, HABC may adopt HUD published regulatory and/or statutory waivers to respond to the emergency. Where such waivers are adopted, HABC will retain documentation to identify the Statute/Regulation, which is being waived, as well as the alternative requirement and period start and end dates for such waivers.

Where a waiver allows HABC to adopt and implement changes to the Administrative Plan without formal board approval, such informally adopted policies will be formally adopted and implemented consistent with required timelines and fair housing and equal opportunity statutes and regulations. Finally, HABC will follow applicable HUD tenant notification guidance regarding changes to policies, rules and/or special charges to tenants.

1.4.5 Insufficient Funding

In the event of a funding shortfall, HABC may modify its policies in order to address HUD requirements and/or to improve HCV program finances. Accordingly, as part of an action plan to address an actual or projected funding shortfall, HABC may temporarily or permanently waive or modify provisions of the Administrative Plan and/or take other actions as needed including, but not limited to, waiving or modifying voucher issuance, payment standard, cap rent increases and other policies and provisions.

1.4.6 Administrative Fee Reserve

Expenditures from the Administrative Reserve (Operating Reserve) for other housing purposes shall be consistent with HABC rules and procedures.

1.5 MTW POLICIES

HABC entered into a Moving to Work Demonstration Agreement (MTW Agreement) with HUD effective March 31, 2005. MTW is a national demonstration program established by Congress that allows PHAs to develop and implement innovative and flexible solutions to meet local housing needs. HABC's Administrative Plan for the HCV Program identifies the policies and rules under which HABC's program will operate, accounting for any MTW activities approved by HUD.

Where a policy relates to both MTW and Non-MTW programs, the policy citation will not state MTW or Non-MTW. Finally, where regulatory citations are specifically identified in the Administrative Plan, if a corresponding MTW policy is in effect, the MTW policy will supersede the existing and applicable HUD regulatory citation.

The following table reflects the MTW policies contained in this Administrative Plan including the respective effective date for each MTW initiative and any modification.

1.5.1 Chart of MTW Policies

	Topic	Detail	Effective Date
1.	**Income Targeting**	In accordance with MTW guidelines, HABC will ensure that at least 75% of the program's Housing Choice Vouchers are issued to eligible families with income that does not exceed 50% of the area median income (AMI) in HABC's jurisdiction.	2005
2.	**Student Housing Initiative (SHI)**	Through this initiative, HABC will work in partnership with colleges/universities in HABC's jurisdiction to provide ten (10) time-limited, tenant-based vouchers for eligible SHI participants. In addition, waives **Verification of Restrictions on Assistance to Students** for SHI participants.	2023
3.	**Authorization for the Release of Information / MTW Release of Information Form**	Replaces the HUD-9886-A form with the HABC MTW Authorization for Release of Information form.	2024
4.	**UNIT SIZE SELECTEDUNIT SIZE SELECTED**	Prohibits families to lease units larger than their voucher size, except under approved circumstances.	2010
5.	**VERIFICATION HIERARCHYVERIFICATION HIERARCHY**	HABC uses a streamlined version of the HUD Verification Hierarchy when prioritizing acceptable verification for income, assets, and expenses.	2024
6.	**Substantial Difference**	Increases the threshold for substantial difference from $2,400 to $5,000.	2024
7.	**Earned Income of Full-Time Students**	HABC will not verify adult full-time students' earned income (for adult FT students other than the head, co-head, or spouse) as 100% of the earned income is excluded.	2019
8.	**VERIFICATION OF ASSETS**Error! Reference source not found.	Allows use of self-certification of assets and asset income when family assets are up to $50,000.	2010 Revised 2019
9.	**ADJUSTED INCOME**	Allows HABC to set and adjust deductions to reflect inflation.	2024
10.	**Health and Medical Care ExpensesVERIFYING**	HABC calculates health and medical expenses for eligible participants using past paid, unreimbursed expenses in addition to prospective medical insurance	2024

	Topic	Detail	Effective Date
	MANDATORY DEDUCTIONS	premiums. Over the counter medications will not qualify for a deduction unless accompanied by a prescription and paid receipts.	
11.	**Annual Income** – Asset Exclusion	HABC excludes all income from assets when the market/face value of the assets are less than $50,000. If the family has assets with a market/face value that is greater than $50,000: annual income shall include the face value of the asset times the passbook savings rate. See **DETERMINING INCOME FROM ASSETS.**	2010 Revised 2019
12.	**Annual Income Exclusions**	HABC excludes the following from the calculation of annual income and TTP: • 100 percent of the income earned from adult full-time dependent students; • Temporary income received from HABC reviewed and approved guaranteed income programs which is paid to support financial stability and economic equality; and • All adoption assistance payments.	2019: Full-time Student income 2024: Guaranteed income and adoption assistance payments
13.	**INCOME CALCULATIONINCOME CALCULATION**	HABC calculates annual income by projecting current income over 12 months for all admissions and reexaminations. For seasonal workers or on the third occasion a family reports a reduction in income within 3 months of a scheduled reexamination, retrospective income will be used. Income averaging may be applied for fluctuating earnings. If bonuses or overtime can't be anticipated, prior-year amounts will be used.	2024
14.	**Seasonal and Day Laborer Income**	Allows for seasonal income to be calculated using the last 4 quarters of income.	2021
15.	**DETERMINING INCOME FROM ASSETS**	HABC will exclude income from assets where the market/face value of the asset is up to $50,000. When the market/face value of a family's assets is in excess of $50,000, HABC will calculate asset income by taking the market/face value of the family's assets and multiplying that value by the established passbook savings rate.	2018
16.	**Net Cash Value Family Assets**	HABC uses market (face) value of assets to determine asset value and income on assets.	2024

	Topic	Detail	Effective Date
17.	Health and Medical Care Expense Deduction	Supersedes HOTMA provision (upon implementation) and allows deduction of health and medical expenses that exceed 3% of gross income.	2024
18.	Disability Assistance Expense Deduction	Supersedes HOTMA provision (upon implementation) and allows unreimbursed disability assistance expenses that exceed 3% of gross annual income (in combination with any medical expenses) to be deducted.	2024
19.	Inspection of HABC-Owned Units	HABC has waived the requirement for Independent Entities to conduct inspections of HABC-owned properties.	2020
20.	Re-Inspection Fees – Initial/Pre-Contract Inspections	Describes circumstances in which re-inspection fees will be applied for initial inspections.	2021
21.	Re-Inspection Fees – Periodic (Regular) Inspections	Describes circumstances in which re-inspection fees will be applied for regular/periodic inspections.	2021 Revised 2026
22.	Rent Reasonableness Methodology	Waives the standard rent reasonableness methodology requirements and uses the market condition ranges for rent reasonableness.	2022
23.	Reasonable Rent and HABC-Owned Units	HABC has waived the requirement for an independent agency to conduct rent determinations for units owned by HABC (including a unit owned by an entity substantially controlled by HABC).	2020
24.	PAYMENT STANDARDS	HABC uses the 50% percentile FMR to establish payment standards. In addition, HABC may establish payment standards up to 135% of the FMR based on market conditions.	2020
25.	Adjustments to Payment Standards	Allows for development of payment standards outside of HUD's limitation between 90% and 110% of FMR.	2021
26.	Raising and Lowering of the Payment Standard	When the payment standard goes down between the date the RFTA is submitted and the lease effective date, HABC will apply the higher payment standard in effect when the RFTA was submitted. This policy will apply to leasing for new admissions and moves.	2025
27.	REQUEST FOR RENT ADJUSTMENTSREQUE	Allows HABC to cap rent adjustments.	2021 Revised 2026

	Topic	Detail	Effective Date
	ST FOR RENT ADJUSTMENTS		
28.	LEASING INCENTIVESLEASING INCENTIVES	HABC provides leasing incentives to owners and participants to increase leasing success rates. Includes leasing incentives such as landlord incentive payments, security deposit assistance, vacancy and damage loss payments.	2022 Not yet implemented
29.	Frequency of Regular Reexaminations	HABC will generally conduct a reexamination of household income and composition for HCV households once every twenty-four (24) months (biennial cycle). Households who have 100% fixed income will be reexamined once every thirty-six (36) months (triennial cycle).	2007 Revised 2015 and 2018
30.	Application of Payment Standards at Regular Reexaminations	Payment standard increases are applied at the next regular reexamination after the change, regardless of the number of months following the effective date of the payment standard amount.	2025
31.	Interims Prompted by Changes in Income	Any increase in income must be reported on the next regular annual, biennial, triennial recertification as applicable. Exceptions to this requirement include the required reporting of increases in income between regular reexaminations for families claiming zero income	2020
32.	Application of Payment Standards at Interim Reexaminations	When there is a contract rent increase between regular recertifications, HABC will update the payment standard at the interim recertification only if the payment standard has increased. HABC does not decrease payment standards for occupied units. Additionally, HABC will update payment standards at the time of a move and at the next regular reexamination, regardless of the number of months following the effective date of the payment standard amount.	2025
33.	Increases in Household Rent	If a household fails to report a change within the required timeframes or fails to provide all required information within the required timeframes, the increase will be applied retroactively to the date it would have been effective had the information been provided on a timely basis.	2024

	Topic	Detail	Effective Date
34.	Changes Not Reported Timely	For changes not reported timely by the participant: • Increases will be effective retroactive to the date it would have been effective had the changes been reported in a timely manner. The participant will be liable for any overpaid housing assistance and may be required to sign a Repayment Agreement. • Decreases will be effective on the first day of the first month following the month that the change was reported, and all supporting documentation has been received.	2024
35.	MTW PBV POLICIESMTW PBV POLICIES	See chart of MTW policies in PBV chapter.	Varies
36.	SPECIAL PURPOSE VOUCHER PROGRAMSSPECIAL PURPOSE VOUCHER PROGRAMS	HABC administers special purpose vouchers in accordance with its MTW Agreement unless MTW provisions are inconsistent with the appropriations act or requirements of the NOFA.	Varies
37.	FSS CONTRACT OF PARTICIPATIONFSS CONTRACT OF PARTICIPATION	Includes the use of an MTW CoP to reflect MTW FSS policies.	2024
38.	FSS INCENTIVESFSS INCENTIVES	Provides financial incentives for completing certain interim goals.	2020
39.	FSS ESCROW CREDITFSS ESCROW CREDIT	Provides escrow credit based on tiered levels of earned income.	2025
40.	HOMEOWNERSHIPHOMEOWNERSHIP	See Homeownership chapter for applicable MTW activities.	Varies

1.6 HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT (HOTMA) OF 2016

On July 29, 2016, the Housing Opportunity Through Modernization Act of 2016 (HOTMA) was signed into law. HOTMA made numerous changes to statutes governing HUD programs, including sections of the United States Housing Act of 1937. Title I of HOTMA contains 14 different sections that impact the public housing and Section 8 programs. The following sections are relevant to the HCV program and this Administrative Plan:

- **Sections 102 & 104: Income & Assets:** the Final Rule implementing broad changes to income and asset in Sections 102 and 104 of HOTMA was officially published in the Federal Register on February 14, 2023. On September 29, 2023, HUD issued notice PIH 2023-27, which provided

guidance to PHAs on the implementation of the program changes described in the Final Rule; this was reissued on February 2, 2024, to provide revisions and further guidance.

  - Subsequently, the implementation of certain provisions of sections 102 and/or 104 of HOTMA have been delayed by HUD, while others are set to be implemented effective for recertifications effective on or after July 1, 2025, pursuant to PIH Notice 2024-38.
  - HABC has updated its policies throughout this Plan to incorporate HOTMA requirements according to applicable guidance that is available as of the date of this Plan. This Plan generally does not contain HOTMA policies that are not yet able to be implemented according to current HUD guidance.

- **Sections 101, 105, 106, and 112: Streamlining Regulations for the HCV and PBV Programs**
  - On May 7, 2024, HUD published a Final Rule in the Federal Register implementing further changes under HOTMA, specific to Sections 101, 105, 106, and 112 of HOTMA and in reference to the October 8, 2020 proposed rule.
  - The effective date of the rule is June 6, 2024; however, as of the date of this Plan HABC is awaiting further implementation guidance from HUD regarding certain PBV provisions that are not yet able to be implemented and will update the Plan accordingly as additional guidance becomes available.

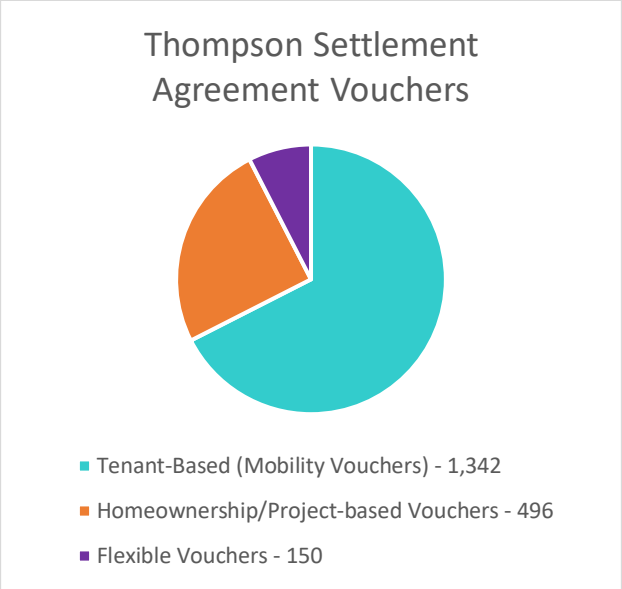
HABC has updated its policies throughout this Plan to incorporate HOTMA requirements according to applicable guidance that is available as of the date of this Plan. As of the date of this Plan, HABC is awaiting further guidance from HUD regarding the implementation of certain provisions and related requirements.

HABC will update this Plan and its policies as needed to reflect any subsequent guidance released by HUD pertaining to HOTMA, the Final Rule, and other related regulatory requirements. HABC will comply with the HOTMA Final Rule and all requirements, with the exception of policies that have been waived by HABC pursuant to an authorized and approved MTW Activity.

1.7 THOMPSON SETTLEMENT AGREEMENT

(Thompson, et al. v. HUD, et al.)

This Administrative Plan provides the policies and procedures necessary for managing the HCV TBV and PBV programs.



This Administrative Plan does not provide policies and procedures for the management of the vouchers set aside to ensure compliance with the Thompson Settlement Agreement entered into on behalf of the plaintiffs in the case of Thompson, et al. v. HUD et al.

The administration of the Partial Consent Decree vouchers is addressed in a separate document, the HABC Administrative Plan for Thompson v. HUD Partial Consent Decree Section 8 Programs (the Special Administrative Plan). However, that document will reference the Housing Choice Voucher Program Administrative Plan for specific policies regarding the general administration of the Housing Choice Voucher Program by HABC.

1.7.1 Thompson Settlement Agreement Extension, Amendment & Voucher Administration

Pursuant to the Settlement Agreement entered in Thompson, et al. v HUD, et al, The Baltimore Regional Housing Partnership (BRHP) entered into a Services Agreement with HABC in December 2012 to administer regionally, the Thompson Remedial Vouchers, Thompson PCV-Leased Vouchers and Thompson PCD Homeownership Units. In February 2024, HABC and BRHP signed the First Amendment to that Agreement. The amendment extends the term of the Contract and makes certain changes in the allocation of responsibilities of the parties under the Contract. Specifically, the amendment provides the following regarding administration of the vouchers: BRHP will administer services for all HABC voucher holders who are exercising portability within the BRHP service areas. Administration of the HABC Portability Households will be in accordance with BRHP's Administrative Plan.

BRHP will transfer administration of the Thompson PCD Homeownership Units to HABC. HABC will administer the vouchers in accordance with its HCV Administrative Plan.

BRHP will also transition approximately 375 BRHP leased vouchers to HABC. After initially leasing in BRHP managed Opportunity Neighborhoods, these BRHP families moved to Baltimore City, outside of Opportunity Neighborhoods, and have remained for at least two years. They have indicated the desire to remain in Baltimore City. BRHP will transition these vouchers to HABC. As a result of the transition of the vouchers to HABC, BRHP will be able to issue 375 vouchers to families from its waiting list who wish to lease units in Opportunity Neighborhoods.

To minimize any financial hardship related to the transition of the vouchers to HABC administration, HABC will retain the BRHP approved MTW Rent Simplification deductions for these families. HABC will apply its remaining Administrative Plan policies to these households.

CHAPTER 2: FAIR HOUSING AND EQUAL ACCESS

2.1 INTRODUCTION

This chapter outlines HABC'S policies to promote fair housing and equal access across its federally assisted housing programs. This chapter will cover HABC's policies related to fair housing, non-discrimination, the Violence Against Women Act (VAWA), policies for individuals with disabilities, Reasonable Accommodations, Language Access for Limited English Proficiency (LEP) individuals, and HABC's outreach efforts to families and owners.

2.2 FAIR HOUSING POLICY

It is the policy of HABC to comply fully with all Federal, State, and local nondiscrimination laws and with the rules and regulations governing fair housing and equal opportunity in housing and employment.

HABC shall not on the basis of race, color, sex, religion, national origin, ancestry, age, familial status, marital status, handicap or disability, sexual orientation, gender identity, or source of income:

- Deny any family or individual the equal opportunity to apply for or receive assistance under the Housing Choice Voucher Programs;
- Deny any family the opportunity to apply for assistance, or deny any qualified applicant the opportunity to receive assistance suitable to their needs;
- Provide assistance that is different from that provided to others;
- Subject a person to segregation or disparate treatment;
- Restrict a person's access to any benefit enjoyed by others in connection with the Housing Choice Voucher Program;
- Treat a person differently in determining eligibility or other requirements for admission; or
- Deny any person access to the same level of services.

To further its commitment to full compliance with applicable Civil Rights laws, HABC will provide Federal, State, and local information to voucher holders regarding unlawful discrimination in housing and the recourse available to families who believe they are victims of such discrimination. Such information will be made available during the voucher briefing session.

In addition, fair housing information and discrimination complaint forms will be made a part of the voucher holder's briefing packet and available upon request at:

- HABC's Office located at: 1225 West Pratt Street, Baltimore, MD 21223; and
- HABC's Fair Housing & Equal Opportunity ("FHEO Office") Office located at: 417 E. Fayette Street, Baltimore, MD 21202, (410) 396-4247.

HABC staff will be required to attend fair housing training, which will include the importance of affirmatively furthering fair housing and providing equal opportunity to all families, including providing reasonable accommodations to persons with disabilities, as a part of the overall commitment to quality customer service. Appropriate staff will attend local fair housing training update programs sponsored by HABC, HUD and other local organizations to keep current with new developments.

Fair Housing posters are posted throughout HABC offices, including in the lobby and interview rooms, in such a manner as being easily readable from a wheelchair. The equal opportunity logo will be used on all outreach materials.

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 HABC facilities are inaccessible to, or unusable by persons with disabilities.

HABC offices are accessible to persons with disabilities. Accessibility for the hearing impaired is provided through the Maryland Relay System. HABC provides sign language interpreters for meetings when requested as a reasonable accommodation.

HABC's FHEO Office is responsible for monitoring HABC's compliance with, and enforcing the requirements of, the fair housing laws and HABC's fair housing policy as set forth in this Administrative Plan.

2.2.1 Affirmatively Furthering Fair Housing

HABC is committed to affirmatively furthering fair housing in accordance with the Fair Housing Act and HUD regulations. HABC actively works to identify and address barriers to housing choice and to promote equitable access to housing for all individuals, regardless of race, color, national origin, religion, sex, familial status, or disability.

2.3 DISCRIMINATION COMPLAINTS

Applicants or participant families who wish to file a discrimination complaint against HABC may contact HABC's Office of Fair Housing, either orally or in writing. The Office of Fair Housing will advise the family of their right to file a fair housing complaint with HUD's Office of Fair Housing and Equal Opportunity (FHEO) using Form HUD 903.1 or HUD's website. The Office of Fair Housing will assist applicants and participants with completing HUD Form 903.1 and refer discrimination complaints to HABC's Office of Legal Affairs, Investigations Unit for follow up.

HABC will retain a record of all complaints, investigations, notices, and corrective actions for the duration of the Bailey Consent Decree. HABC will investigate and attempt to remedy applicant and/or participant discrimination complaints made against HABC.

2.3.1 Complaints under the Equal Access Rule

Applicants or tenant families who believe that they have been subject to unlawful discrimination based on marital status, gender identity, or sexual orientation under the Equal Access Rule may notify HABC either orally or in writing.

HABC will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted.

2.3.2 VAWA Complaint Processing

HABC will advise the family of their right to file a VAWA complaint with HUD's Office of Fair Housing and Equal Opportunity (FHEO). HABC will inform the family that no later than one year after an alleged VAWA violation has occurred, applicants and participants who believe they have been injured by a VAWA

violation or will be injured by such a violation that is about to occur may file a VAWA complaint using FHEO's online complaint form via mail, email, or telephone.

HABC will attempt to remedy complaints made against HABC and will investigate all allegations of discrimination.

2.4 VIOLENCE AGAINST WOMEN ACT (VAWA)

The purpose of this policy is to implement applicable revisions of the Violence Against Women Act (VAWA), and to set forth HABC's policies regarding domestic violence, dating violence, sexual assault, stalking, and/or human trafficking who are applying for or receiving assistance through the Housing Choice Voucher Program. Notwithstanding VAWA's title, this policy is gender neutral.

Although the VAWA 2022 statute does not specifically include human trafficking in the list of victims protected under VAWA, in 2022 HUD began including human trafficking as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24). In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.

2.4.1 VAWA Definitions

The following definitions, which are related to VAWA, can be found in the **GLOSSARY** of this Administrative Plan:

- Domestic Violence
- Dating Violence
- Human Trafficking
- Sexual Assault
- Stalking
- Actual and Imminent Threat
- Affiliated Individual
- Bifurcate
- Economic Abuse
- Technological Abuse

2.4.2 VAWA Notifications

HABC will provide applicants and tenants with HUD's VAWA Notice of Occupancy Rights and VAWA Certification Form:

- When an applicant is denied;
- At admission to the Housing Choice Voucher program;
- With any notification of termination of assistance.

HABC will also provide owners with the VAWA Notice of Occupancy Rights and VAWA Certification Form.

2.4.3 Assistance to VAWA Victims

No applicant to HABC's HCV Program who has been a victim of domestic violence, dating violence, sexual assault, stalking, and/or human trafficking shall be denied admission into the program if they are otherwise qualified.

Family splits may be approved because of VAWA claims, at the discretion of the Senior Vice President or designee.

2.4.4 VAWA Provisions on Termination of Assistance to Victims

VAWA provides that no person may deny assistance, tenancy, or occupancy rights to housing assisted under a covered housing program to a tenant solely on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault, stalking, and/or human trafficking that is engaged in by a member of the household, of the tenant, or any guest or person under the control of the tenant, if the tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault, stalking, and/or human trafficking.

HABC may exercise its authority to bifurcate a lease for the housing in order to evict, remove, or terminate assistance to any individual who is a tenant or lawful occupant of the housing and who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, stalking, and/or human trafficking against an affiliated individual or other individual, without evicting, removing, terminating assistance to, or otherwise penalizing a victim of such criminal activity who is also a tenant or lawful occupant of the housing.

VAWA does not limit HABC's authority to terminate the assistance of any participant if HABC can demonstrate that an actual and imminent threat to other tenants or individuals employed at or providing service to the property would be present if the assistance is not terminated or the tenant is not evicted.

2.4.5 Victim Documentation

HABC will require an individual to submit documentation affirming any claim for which a participant family is facing termination of assistance because of the actions of a participant's household member, or other person under the participant's control who claims that he or she is the victim of actions that are related to domestic violence, dating violence, sexual assault, stalking, and/or human trafficking.

HABC will accept one of three methods for certification of a claim under VAWA:

- A completed Form HUD-5382, which HABC will make available to a participant family upon request; and/or
- A Federal, State, tribal, local police or other law enforcement, or court record; and/or
- Documentation signed and attested to by an employee, agent, or volunteer of a victim service provider, attorney, a medical professional, or a mental health professional, from whom the victim has sought assistance in addressing domestic violence, dating violence, sexual assault, stalking, and/or human trafficking, or the effects of abuse, in which the professional attests under penalty of perjury to the professional's belief that the incident(s) in question are bona fide incidents of abuse, and the victim of domestic violence, dating violence, sexual assault, stalking, and/or human trafficking has signed or attested to the documentation.

The required certification and supporting documentation must be submitted to HABC within fourteen (14) business days after HABC issues a written request for the documentation. The 14 business-day deadline may be extended at HABC's discretion. If the individual does not provide the required certification and supporting documentation within the 14 business days, or by the end of the approved extension period, HABC may proceed with termination of assistance.

2.4.6 Terminating Assistance of a VAWA Offender

Although VAWA provides termination protection for victims of domestic violence, dating violence, sexual assault, stalking, and/or human trafficking, it does not provide protection for offenders. HABC may exercise its explicit authority to evict, remove, or terminate assistance to any individual who is a tenant or lawful occupant of the housing and who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, stalking, and/or human trafficking against an affiliated individual or other individual without evicting, removing, terminating assistance to, or otherwise penalizing a victim of such criminal activity who is also a tenant or lawful occupant of housing.

This authority supersedes any local, state, or other federal law to the contrary. However, if HABC chooses to exercise this authority, HABC will follow any procedures prescribed by HUD or by applicable local, state, or federal law regarding termination of assistance.

For participants that have not yet been terminated from the program but HABC can demonstrate an actual and imminent threat to other participants, residents, or employees at or providing service to, the property, HABC will bypass the standard process and proceed with the immediate termination of the family's assistance.

2.4.7 Response to Conflicting Documentation

In cases where HABC receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, HABC may determine which is the true victim by requiring third-party documentation from each member as described in this Plan. Third-party documentation to substantiate the occurrence of a VAWA-related offense must be submitted within 30 calendar days. HABC shall honor any court orders addressing rights of access or control of the property, including civil protection orders issued to protect the victim or to address the distribution or possession of property among the household.

2.4.8 Confidentiality Requirements

All information provided to HABC regarding domestic violence, dating violence, sexual assault, stalking, and/or human trafficking, including the fact that an individual is a victim of such violence, stalking or trafficking, must be retained in confidence and may neither be entered into any shared database nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, HABC will make reasonable attempts to provide notice to victims affected by the disclosure of information and will take steps necessary to protect the privacy and safety of the persons affected by the release of information.

HABC will maintain information regarding domestic violence, dating violence, sexual assault, stalking, and/or human trafficking in a sealed envelope in the participant's file.

2.4.9 VAWA Record Retention

HABC will retain a record of all VAWA emergency transfer requests and outcomes for a period of not less than three years. HABC will follow HUD reporting requirements regarding VAWA emergency transfer requests and outcomes.

2.5 POLICIES RELATED TO PERSONS WITH DISABILITIES

There are two different definitions for person with a disability used in the HCV program.

1. The definition used to qualify a family for a *disabled deduction*, either as a disabled household or as a dependent for another adult with a disability. See **Definition of a Person with a Disability – Disabled Deduction / Preferences** section below. Note that this definition is more limited than the definition used for reasonable accommodations.
2. The definition used to determine eligibility for a *reasonable accommodation* (see **Definition of a Person with a Disability – Reasonable Accommodation** in the Reasonable Accommodation section).

When verifying a disability, HABC will follow its policies on **VERIFICATION OF DISABILITY**. All information related to a person's disability will be treated in accordance with the privacy policies in this Plan. In addition to the general requirements that govern all verification efforts, additional verification requirements for verifying disability will be followed.

2.5.1 Definition of a Person with a Disability – Disabled Deduction / Preferences

The HUD definition of a person with a disability for purposes of a deduction and/or preference is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, elderly/disabled household deduction, the allowance for medical expenses, or the allowance for disability assistance expenses.

The term *person with disabilities* means a person who has any of the following types of conditions.

1. Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:

   Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

   In the case of an individual who has attained the age of 55 and is blind (within the meaning of blindness as defined by 42 U.S.C 416(i)(1)), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

2. Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

3. Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C.15002(8)), which defines developmental disability in functional terms as follows:

    a) ***General.*** The term *developmental disability* means a severe, chronic disability of an individual that:

        a. Is attributable to a mental or physical impairment or combination of mental and physical impairments;

        b. Is manifested before the individual attains age 22;

        c. Is likely to continue indefinitely;

        d. Results in substantial functional limitations in 3 or more of the following areas of major life activity:

            (1) Self-care

            (2) Receptive and expressive language

            (3) Learning

            (4) Mobility

            (5) Self-direction

            (6) Capacity for independent living

            (7) Economic self-sufficiency; and

        e. Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

    b) ***Infants and Young Children.*** An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting three or more of the following criteria if the individual, without services and supports, has a high probability of meeting those criteria later in life: self-care, receptive and expressive language, learning, mobility, self-direction.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition. For purposes of qualifying for low-income housing, this definition does not include a person whose disability is based solely on any drug or alcohol dependence.

2.6 REASONABLE ACCOMMODATIONS POLICY

As set forth in HABC's Reasonable Accommodations Policy and Procedures (available on HABC's website) HABC is committed to ensuring that its policies and practices do not deny individuals with disabilities the

opportunity to participate in, or benefit from, nor otherwise discriminate against individuals with disabilities in connection with the operation of HABC's housing services or programs, solely on the basis of such disabilities. Therefore, if an individual with a disability or persons associated with people with disabilities requires an accommodation, such as an accessible feature or modification to HABC policy, HABC will provide such accommodation, unless doing so would result in a fundamental alteration in the nature of the program or an undue financial or administrative burden. In such case, HABC will make another accommodation that would not result in a financial or administrative burden.

Written information regarding this policy and the procedures for making a request for a reasonable accommodation is available at the Customer Relations Center, Public Housing Management Offices, HABC's Central Office, HABC's Fair Housing and Equal Opportunity Office, and HABC's website https://www.habc.org/habc-information/programs-departments/office-of-fair-housing/reasonable-accommodations-policy/.

Reasonable accommodations will be made for persons with a disability who require an advocate or accessible offices. A designee will be allowed to provide information on behalf of the person with the disability, but only with the permission of the person with the disability. Permission is required by HABC in the form of a notarized statement, or through oral verification when applicable, or through a Power of Attorney as approved by HABC's Office of Legal Affairs verifying permission of the person with a disability.

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

A reasonable accommodation may be requested by persons with disabilities or persons associated with people with disabilities by:

- Contacting the HABC HCVP Office in writing at: 1225 W Pratt Street, Baltimore, MD 21223,
- Calling HABC at (443) 984-2222; or
- Going online to www.HABC.org.

2.6.1 Definition of a Person with a Disability – Reasonable Accommodation

The definition of a person with a disability for purposes of granting a reasonable accommodation request is much broader than the HUD definition of disability. This means that participants who may not necessarily qualify as a disabled person under the HCV program may still qualify for a reasonable accommodation if they meet the definition below.

The definition of a *person with a disability* used to qualify a family for a reasonable accommodation is as follows:

- A *person with a disability*, as defined under federal civil rights laws, is any person who:
    - Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual, or
    - Has a record of such impairment, or
    - Is regarded as having such impairment.
- The phrase *physical or mental impairment* includes:

- Any physiological disorder or condition, cosmetic or disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genitourinary; hemic and lymphatic; skin; and endocrine; or
- Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term *physical or mental impairment* includes, but is not limited to: such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, Human Immunodeficiency Virus (HIV) infection, mental retardation, emotional illness, drug addiction (other than addiction cause by current, illegal use of a controlled substance) and alcoholism.

Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.

Has a record of such impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major live activities.

Is regarded as having an impairment means: has a physical or mental impairment that does not substantially limit one or more major life activities but is treated by another person as constituting such a limitation; has a physical or mental impairment that substantially limits one or more major life activities, only as a result of the attitudes of others toward such impairment; or has none of the impairments defined in this section but is treated by another person as having such an impairment.

The definition of a person with disabilities does not include:

- Current, illegal use of or addiction to a controlled substance.
- Individuals who are alcoholics or drug abusers and:
  - Whose current use of alcohol or drugs prevents them from participating in the program or activity in question; or
  - Whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others.

The above definition of disability determines whether an applicant or participant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who does not meet this definition of disability is not entitled to a reasonable accommodation under federal civil rights and fair housing laws and regulations.

2.6.2 Verification of Disability

HABC may verify a requestor's disability only to the extent necessary to ensure that the requestor is qualified for the housing for which he or she has applied, is qualified for deductions used in determining adjusted income, is entitled to preferences that have been claimed, and that the requested accommodation is needed to address, or because of, a disability. HABC will not require persons requesting a reasonable accommodation to provide access to confidential medical records in order to verify a

disability and will not require specific details about the disability. HABC may require documentation of the manifestation of the disability that causes a specific need for a specific accommodation or accessible unit.

2.6.3 Applying for Admission

Accommodations for applications will be made upon request from a person with a disability. For more information on applying for admission to the HCV Program, please refer to Chapter 3.

The application is completed online or at the eligibility appointment in the applicant's own handwriting, unless assistance is needed, or a request for accommodation is requested by a person with a disability. HABC staff will interview applicants in order to review the information on the application form. Verification of disability as it relates to 504, Fair Housing, or the Americans with Disabilities Act (ADA) reasonable accommodation will be requested at this time.

2.7 LIMITED ENGLISH PROFICIENCY AND LANGUAGE INTERPRETATION

HABC is committed to taking proactive steps to ensure effective communication with individuals who need information or services in a language other than English.

To determine the appropriate level of language assistance, HABC will assess the following four factors:

- Number or proportion of LEP persons served or encountered in the eligible service population
- Frequency with which LEP persons come into contact with the program;
- Nature and importance of the program, activity, or service provided by the program; and
- Resources available to HABC and costs.

At minimum, HABC will provide the following services to LEP individuals and their families:

- Provide language interpretation services over the telephone;
- Translate documents;
- Provide American Sign Language interpretation; and
- Accessibility for the hearing impaired, which is provided through the Maryland Relay System (dial 7-1-1).

Information about how to request these services is available to HABC staff on HABC's intranet website, which also provides a link to documents translated by HUD.

HABC will provide readers to assist persons with literacy barriers in completing the application and certification process, upon request.

2.8 HCV PROGRAM OUTREACH

Outreach efforts to encourage participation in the HCV program will include notification of the media and agencies listed in this Plan regarding public notices.

For policies pertaining to the waiting list, see **Opening and Closing the Waiting List(s)**).

2.8.1 Outreach to Families

HABC may publicize and disseminate information to make known the availability of housing assistance and related services for eligible families.

When HABC's waiting list is open, HABC may publicize the availability and nature of housing assistance for eligible families through, including but not limited to, the:

- Baltimore Sun
- Afro-American Newspaper
- City Paper
- HABC's Website

HABC may extend outreach subject to determination of any minority group reaching 2% of the total population, based on the most recent census or amendment thereto.

To further enhance outreach, HABC may distribute fact sheets to the broadcasting media and may initiate personal contacts with members of the news media, with community service personnel, and with not-for-profit organizations servicing non-English speaking populations. HABC may also utilize social media and public service announcements.

HABC may communicate housing opportunities and eligibility requirements to other service providers in the community, and advise them of housing eligibility factors and guidelines, so that they may refer their clients to HABC for housing assistance.

2.8.2 Outreach to Owners

HABC makes a concerted effort to keep private owners informed of legislative and other changes in the tenant-based program, which are designed to make the program more attractive to owners.

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

HABC encourages participation by owners of suitable units located outside areas of concentrations of poverty, minorities, and assisted units.

HABC conducts periodic meetings with participating owners to improve owner relations and to recruit new owners.

HABC hosts a free rental property listing service through www.AffordableHousing.com (formerly www.GoSection8.com) for landlords to list their rental properties for the Housing Choice Voucher Program participants:

- The staff of HABC initiates personal contact with private property owners and managers by conducting formal and informal discussions and meetings.
- Electronic material is offered to acquaint owners and managers with the opportunities available under the program.
- HABC participates in community-based organization(s) comprised of private property and apartment owners and managers.
- HABC actively recruits property owners with property located outside areas of minority and poverty concentration and applies for exception payment standards if the HABC determines it is necessary to make the program more accessible within the jurisdiction of HABC.

- HABC periodically evaluates the demographic distribution of assisted families to identify areas within the jurisdiction where owner outreach should be targeted. The purpose of these activities is to provide choice and better housing opportunities to families. Voucher holders are informed of a broad range of areas where they may lease units inside the HABC jurisdiction, and given a list of landlords, or other parties, who are willing to lease units or help families who desire to live outside areas of poverty or minority concentration.

HABC shall periodically:

- Request the HUD Field Office to furnish a list of HUD-held properties available for rent.
- Develop working relationships with owners and real estate broker associations.
- Establish contact with civic, charitable and neighborhood organizations that have an interest in housing for low-income families and public agencies concerned with obtaining housing for displacements.
- Explain the program, including equal opportunity requirements and nondiscrimination requirements, as set forth in the Fair Housing Act, the Americans with Disabilities Act, and other housing-related civil rights laws, to real estate agents, landlords, and other groups that have dealings with low-income families or are interested in housing such families.

CHAPTER 3: WAITING LIST & APPLICATIONS

3.1 INTRODUCTION

This chapter outlines the policies and procedures governing the administration of the HCV program waiting list(s), including how the list is opened and closed, how applications are accepted and processed, and how preferences, priorities, and local criteria are applied. The waiting list is a critical tool for managing applicant access to the program and ensuring that assistance is offered in a fair, consistent, and transparent manner in accordance with HUD regulations and HABC policies.

3.2 WAITING LIST ADMINISTRATION

HABC maintains the HCV waiting list in accordance with HUD regulations to ensure fair and consistent access to assistance. This section outlines how the list is opened, organized, maintained, and updated, as well as how applicants are selected based on established preferences and eligibility criteria.

3.2.1 HABC Waiting Lists

HABC currently maintains two waiting lists for the HCV program:

1. **Tenant-Based Voucher (TBV) Waiting List** – This list is for applicants seeking tenant-based assistance, which allows eligible families to search for and rent a unit of their choice in the private market. Assistance is tied to the family, not the unit, meaning the voucher can move with the household if they relocate.
2. **Project-Based Voucher (PBV) Waiting List –** This list is for applicants seeking project-based assistance, where the subsidy is attached to specific units in designated properties approved by HABC. Eligible applicants must reside in the assigned unit to receive assistance, and the voucher does not move with the family if they relocate.

3.2.2 Opening and Closing the Waiting List(s)

Opening the Waiting List

Note: Any reference to a non-online application process is not applicable for an opening of the tenant-based waiting list during any period, as specified by HABC.

HABC will provide public notice at least 30 calendar days before reopening the waiting list. If the list is being reopened only for specific categories of families, the notice will include that information.

The notice will be published in newspapers of general circulation, minority media, and other appropriate outlets. It will clearly state where, when, and how applications will be accepted. The notice will contain:

- The dates, times, and the locations where families may apply.
- The duration of time for which the waiting list will remain open.
- The programs (e.g., tenant-based vouchers, project-based vouchers) and purposes (e.g., income targeting, special categories) for which applications will be taken.
- A brief description of the individual programs and purposes.

- A statement that public housing residents must submit a separate application if they want to apply for HCV.
- Limitations, if any, on those families who may apply.
- Procedure for special accommodation applicants.

The notices will be made in an accessible format if requested. They will provide potential applicants with information that includes HABC's address and telephone number, and how to submit an application. If applicable, additional information on eligibility requirements, and the availability of local preferences will be identified.

Upon request from a person with a disability, HABC may assist with identifying agencies that can provide the appropriate services to meet the accommodation.

The waiting list shall be open for the period necessary to cover projected turnover and new allocations over the next twelve (12) months. HABC may keep the waiting list partially open only for particular preferences. The decision to keep a waiting list partially open will be made by the President/Chief Executive Officer (CEO) and the Board of Commissioners and based on need.

Closing the Waiting List

HABC may close the waiting list (i.e., stop accepting applications) if there are enough applicants to fill anticipated openings for the next twelve (12) months. The waiting list will not be closed if it has a discriminatory impact inconsistent with applicable civil rights and fair housing laws and regulations.

HABC may keep the waiting list partially open for particular preferences while the waiting list is closed to the general public. The decision to keep the waiting list open for particular preferences will be made by the President/Chief Executive Officer (CEO) without the approval of the Board of Commissioners.

HABC will announce the closing of the waiting list by public notice.

HABC will not accept any applications received during the time period that the waiting list is closed. If the waiting list is open only for particular preferences, HABC will not accept any applications that do not meet the criteria of the preference(s) for which the waiting list is open.

3.2.3 Updating the Waiting List(s)

Upon establishment of the waiting list, it is necessary to have current and updated applicant information. HABC periodically reviews the waiting list to determine if an update and purge are necessary. If an update is needed, HABC will send updated questionnaires to families on the waiting list. The questionnaire will ask for current information and confirmation of continued interest. Eligible applicants who respond to the questionnaires within thirty (30) calendar days, or within the timeframe specified in the update notice, will be maintained on the waiting list. Families that do not respond within the specified timeframe will be withdrawn from the waiting list.

Questionnaires will be made available in an accessible format upon the request of a person with a disability. An extension to reply to the update questionnaires will be considered as a reasonable accommodation if requested by a person with a disability.

If the applicant does not respond to HABC's update questionnaire because of a disability, HABC will reinstate the applicant to their former position on the waiting list. Their placement on the waiting list will

be based on their original preference on the original application, as long as the original preference is still applicable.

3.2.4 Reporting Changes While on the Waiting List

Applicants are required to update any changes pertaining to their application or applicant status, including but not limited to household composition, address, and income online via the Applicant Portal.

The Applicant Portal may be accessed by using a computer, smart phone, and/or tablet by visiting https://habc-onthelist.myhousing.com/.

Applicants may also choose to update their application at one of the kiosks physically located at HABC on 1225 W. Pratt Street, Baltimore, MD 21223.

Changes in an applicant's circumstances while on the waiting list may affect the applicant's position on the waiting list (i.e., change in preference). When an applicant reports a change that affects placement on the waiting list, the waiting list will be updated accordingly.

Failure to report changes may affect an applicant's placement on the waiting list(s) and may result in removal of the applicant from the waiting list. Changes will not be accepted verbally or over the phone.

Family Break-up

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. If the waiting list is open, the other household may submit a new application with a new application date. In the absence of a court order or a mutual agreement between the eligible parties, HABC has the discretion to decide which household will retain the original application date.

In making its determination, HABC will take into consideration the following factors:

- The interest of any minor children, including custody arrangements;
- The interest of any ill, elderly, or disabled family members;
- The interest of any family member who is the victim of domestic violence, dating violence, sexual assault, stalking, and/or human trafficking, including a family member who was forced to leave an assisted unit as a result of such actual or threatened abuse;
- Any possible risks to family members as a result of criminal activity; and
- The recommendations of social service professionals.

3.2.5 Removal from the Waiting List

HABC will remove the names of applicants who do not respond in a timely manner to a communication by HABC and cannot be reached by email, mail, telephone, or via the contacts listed on their application. Failure to respond will result in the applicant being removed from the waiting list. No further action will be taken.

The applicant will be removed only from the waiting list for which the outreach was for (i.e. if the outreach is for the TBV waiting list and an applicant does not response, they will be removed only from the TBV waiting list and will not be removed from the PBV waiting list or any other HABC waiting lists that they may also be on, and vice versa).

The applicant's failure to respond prevents HABC from making an eligibility determination; therefore, no informal review is required.

HABC will also remove an applicant from the waiting list upon request by the applicant. In such cases, no informal review is required.

3.2.6 Reinstatement to the Waiting List

When applicants are removed/withdrawn from the waiting list because they could not be reached, and they later contact HABC regarding their continued interest in the HCV Program, they will be reinstated to the waiting list if they contact HABC within six (6) months from the date of their removal from the list. Upon reinstatement, they will be placed back on the waiting list in their original position.

When an applicant is removed from the waiting list for failure to respond, HABC may reinstate the applicant if the lack of response was due to HABC error, or in response to an applicant's reasonable accommodation request (indicating that the failure to respond was due to a disability) or due to circumstances beyond the applicant's control. In these cases, the applicant's placement on the waiting list will be based on their original preference on the original application, as long as the original preference is still applicable.

3.3 ORGANIZATION OF THE WAITING LIST

HABC uses a single waiting list for admission to its HCV TBV program.

See the **PROJECT-BASED VOUCHER & RENTAL ASSISTANCE DEMONSTRATION PROGRAMS** chapter for information on the organization of the PBV program waiting list(s).

It is important to keep in mind the three underlying concepts for managing the waiting list:

- The waiting list uses a preference system for ranking applicants selected from the waiting list.
- Preferences are local criteria approved by the Board to give priority to certain special need populations. A preference is not a right and may be changed upon Board action. Any such change in preference criteria will result in an immediate change in the waiting list order.
- Only certified eligible applicants are selected from the waiting list based on applicant ranking. It is possible that a lower ranked applicant may be issued a voucher if the higher ranked applicants are not yet certified eligible (i.e., await third party verification, or re-scheduled after missing an interview appointment).

Except as noted below for Special Admissions, Targeted Funding, Special Programs, or as otherwise noted in this chapter, applicants will be selected from HABC's waiting list in accordance with policies, preferences and income targeting requirements defined in this Administrative Plan.

HABC will maintain information that permits proper selection from the waiting list. The waiting list contains the following information for each applicant listed:

- Applicant name
- Family size
- Family unit size
- Date and time of application

- Qualification for any local preference
- Racial or ethnic designation of the head of household
- Annual (gross) family income
- Targeted program qualifications

3.3.1 Special Admissions

Special admissions refer to the admission of families without regard to the waiting list or their position on it. These occur when HUD awards HABC funding specifically for families living in designated units, such as those displaced by demolition, disposition, or termination of assistance. Unless the program provides for referrals from designated agencies, these admissions are not based on applicant category.

HABC must document that such families were admitted through HUD-targeted assistance and cannot use special admissions for other purposes, such as resolving overcrowding or medical needs.

3.3.2 Special Programs

When HUD awards special funding for certain family types, families who qualify are placed on the regular waiting list. When a specific type of funding becomes available, HABC will search the waiting list for the first available family meeting the special funding criteria.

HABC administers the following types of targeted funding programs, subject to funding availability:

- Mainstream
- Non-Elderly Disabled (NED) Category II
- Family Unification Program (FUP)
- Veterans Affairs Supportive Housing (HUD-VASH)
- Emergency Housing Vouchers (EHV)

See the **SPECIAL PURPOSE VOUCHER PROGRAMS** chapter for more information about waiting list and selection policies for these voucher types.

See also **MODERATE REHABILITATION & MODERATE REHABILITATION SINGLE ROOM OCCUPANCY** for more information about these programs and related policies.

3.3.3 Income Targeting

In accordance with the Quality Housing and Work Responsibility Act (QHWRA) of 1998, for each fiscal year HABC will reserve a minimum of 75% of its new admissions for families whose income does not exceed 30% of the area median income. HUD refers to these families as *extremely low-income families*. HABC will admit families who qualify under the extremely low-income limit in order to meet this requirement, regardless of preference. This practice is referred to as *income targeting*. Where necessary to meet this requirement, HABC will skip applicants on the waiting list until the first extremely low-income family is reached.

HABC's income targeting requirement does not apply to low-income families who are continuously assisted as defined in the 1937 Housing Act.

HABC is also exempted from this requirement where HABC is providing assistance to low-income or moderate-income families entitled to preservation assistance under the tenant-based program as a result of a mortgage prepayment or opt-out.

If the family's verified annual income, at final eligibility determination, does not fall under the *extremely low-income* limit and the family was selected for income targeting purposes before a family with a higher preference, the family will be returned to the waiting list.

MTW Statutory Requirement

In addition to the Income Targeting requirements listed above, HABC will comply with the MTW Statutory Requirement below:

> ***MTW Policy***
>
> In accordance with MTW guidelines, HABC will ensure that at least 75% of the families assisted in the HCV program in each fiscal year are very low-income families, defined as families with income that does not exceed 50% of the area median income (AMI) in HABC's jurisdiction.

3.3.4 Special Categories

The President/Chief Executive Officer (CEO) of HABC is authorized to create special categories of applicants and/or program participants who apply for a voucher in order to meet special circumstances (e.g., consent decree requirements, legal opinions, etc.), and to develop and implement specific rules for accepting and processing applications from individuals identified as members of these special categories.

Vouchers or other assistance provided to Special Category participants may be restricted in their use. Examples of such restrictions may include use at specific sites or for certain HABC programs (such as the Homeownership Program).

Non-regulatory requirements may be modified for applicants and/or program participants designated as members of a Special Category group with homeownership rights.

3.3.5 Order of Selection

HABC's method for selecting applicants from a preference category provides a clear audit trail that can be used to verify that each applicant has been selected in accordance with the methods specified in this Plan and in accordance with applicable HUD guidelines.

3.4 PREFERENCES

HABC is authorized to establish a system of local preferences for selection of families admitted to the program. Preferences in the HCV program allow HABC to prioritize certain applicants on the waiting list based on local needs or specific circumstances. While all applicants must meet basic eligibility requirements, those who qualify for a preference may receive assistance before others who applied earlier. Preferences are applied consistently and in compliance with all HABC policies, HUD regulations, and Fair Housing laws.

HUD Notice PIH 98-64 eliminated the requirement for public notice and a period for public comment when changing the HABC preference system.

Preferences are approved by the Board and may be changed upon Board action. Any such change in preference criteria will result in an immediate change in the waiting list order.

Any reference to revised preferences that are not consistent with this chapter will not be applicable. Revised changes to preferences in this chapter should be reflected throughout the Plan and should be verified in accordance with verification procedures described in this Plan.

HABC will inform all applicants about available preferences and will give applicants an opportunity to show that they qualify for available preferences. If it is impractical to do so because of the length of the waiting list, HABC may provide notification to fewer than all applicants at any given time.

An applicant will not be granted any local preference if:

- Any member of the family has been evicted from housing assistance under a 1937 Housing Act program during the past three years because of drug-related criminal activity.
- An applicant makes a false statement in order to qualify for a local preference.

HABC maintains two types of preferences, as described below:

- Limited preferences, which are capped at a set number or percentage of admissions, usually on an annual basis; and
- Local preferences, which do not have a set limit. In all cases, selection from the waiting list is subject to funding availability.

3.4.1 HABC "Set-Aside"/Limited Preference Categories

Limited preferences are specific criteria that give priority to certain groups of applicants on the waiting list without broadly applying to all households. These preferences are designed to address local housing needs or align with targeted funding requirements.

HABC's limited preference categories are described below. HABC may modify these amounts as needed and as subject to funding availability.

Families with Disabilities

HABC established the Enhanced Leasing Assistance Program (ELAP) was established pursuant to the Bailey Consent Decree (a settlement agreement entered in the federal case of *Bailey v. Housing Authority of Baltimore City,* JFM-020CV-225 and *United States of America v. Housing Authority of Baltimore City,* JFM-02-CV-03107). The ELAP was designed to provide housing search and post-move assistance to non-elderly persons with disabilities (NEDs) as defined in and in accordance with the Bailey Consent Decree who received tenant-based vouchers or are referred to units subsidized with project-based vouchers set-aside for NEDs (see below). Upon turnover, the project-based voucher units designated for NED households under the Bailey Consent Decree shall be leased to the next eligible NED voucher holder through ELAP.

Five hundred (500) Housing Choice Project-Based Vouchers were set-aside for issuance to owners of rental properties and developers that agreed to create and maintain project-based units for NEDs. These vouchers are offered, in order by date and time of application, to NEDs on HABC's project-based voucher waiting list who have been found to meet the Housing Choice Voucher Program eligibility criteria and, while it is in existence, who are participating in the ELAP. If a NED participant moves out of one of the units

subsidized by one of these vouchers, the unit will be offered to the next eligible NED referred by HCVP for the ELAP.

Families with Elevated Blood Lead Levels

Subject to availability of funding, two hundred fifty (250) HCVs will be set aside for issuance to families with children with elevated blood lead levels as determined and referred by Green and Healthy Homes, Inc. (GHHI), the Maryland Department of the Environment, or other appropriate agency.

Chronically Homeless Households

Subject to availability of funding, up to nine hundred (900) HCVs will be set aside for issuance to eligible families. Households are eligible if they are chronically homeless and the family contains at least one child (under the age of eighteen). HABC may receive referrals, as determined and contacted by the Mayor's Office of Homeless Services, for a preference on fifty (50) families with at least one child under the age of eighteen.

Two hundred (200) of these vouchers are set aside under an RFP for Project-Based units designated for the homeless population.

Re-Entry Citizens

Subject to availability of funding, two hundred fifty (250) HCVs will be set aside for issuance to previously incarcerated citizens with prior convictions prohibiting them from finding safe and affordable housing as determined and referred by the Mayor's Office of Homeless Services. In FY 2021, HABC received approval through a Board Resolution to modify the screening criteria for these Re-Entry Vouchers to waive felony and misdemeanor convictions from criminal background searches, unless federally mandated prohibitions apply.

Healthy Opportunities Program (HOP)

In FY2020, HUD approved HABC's request to set aside up to one-hundred and fifty (150) vouchers to assist current Housing Choice Voucher families with children who are facing health related issues due to their current living situations. Subject to availability of funding, HCVP will assist families with moving into opportunity neighborhoods that would improve the family's overall health. Families will be identified by HABC's partner agencies that specialize in the health industry, and opportunity areas may differ based on the needs of each participating family. These vouchers are only for families who are willing to move to opportunity areas to improve their overall health. HABC will evaluate the results of this program and may select new participants upon turnover.

This program will no longer accept families after 2025; accordingly, this preference will be removed.

VASH Graduates

HABC will receive referrals from the Veterans Affairs (VA) for active participants housed under the VASH Program who have successfully completed case management services as determined by the VA, to receive permanent tenant-based subsidy, subject to funding availability.

FUP Youth

A preference will be given to participants in HABC's FUP Youth program whose assistance is expiring and will have a lack of adequate housing as a result of their termination from the program, or other similar category.

Student Housing Initiative (SHI)

MTW Policy

Through this initiative, HABC will work in partnership with colleges/universities in HABC's jurisdiction to provide ten (10) time-limited, tenant-based vouchers for eligible SHI participants.

HABC will no longer accept referrals once the SHI program cap has been met.

The participating Baltimore City colleges/universities will be responsible for identifying and referring eligible participants and for providing verification that the student meets HUD's criteria of an independent student. Participating colleges/universities will also be responsible for providing HABC with regular academic progress reports to ensure participants comply with continued occupancy and SHI program requirements, including maintaining a 2.5 grade point average. HABC will verify and calculate income to determine income eligibility.

If the subsidy is terminated for any reason, any remaining household member is not entitled to retain the voucher unless otherwise eligible for the Student Housing Initiative.

Initial Eligibility for SHI

The Student Housing Initiative (SHI) which is a housing stability program for eligible low-income college students. Initial eligibility for the SHI includes:

- Graduation from a Baltimore City high school;
- Qualification as an independent student using HUD's independent student criteria;
- Matriculation in a four- or five-year college program located within HABC's jurisdiction;
- Full-time student enrollment; and
- Maintenance of a grade point average of at least 2.5.

Rent Calculation

SHI participants will pay the highest of:

- 10% of gross monthly income,
- 30% of adjusted monthly income***, or***
- A $25 minimum rent.

Recertification Frequency

Recertifications will be completed on a biennial basis.

Eligibility for Continued Participation

Participants must continue to remain enrolled full-time and maintain a 2.5 Grade Point Average (GPA) in order to be eligible for subsidy renewal each year; however, this requirement is waived when an additional post-graduation year is authorized.

Additionally, HABC will make available to SHI participants, self-sufficiency related services offered by HABC. Every student will be required to utilize academic support services and counseling services available at the college. If the student does not remain compliant with program terms, the subsidy may be terminated.

The individuals issued SHI vouchers and served under this activity will become participants in the Housing Choice Voucher Program; however, their vouchers will have term limits, as described below.

Term Limits

Generally, the voucher will be provided for:

- Up to four years for eligible, matriculated, full-time students in an accredited four-year college program; and
- Up to five years for eligible, matriculated, full-time students in an accredited five-year college program.
- Students enrolled in four-year community colleges within HABC's jurisdiction are also eligible under this activity.

An additional post-graduation year may be provided if the student remains income eligible and has not yet secured permanent full-time employment. HABC will terminate the subsidy during the fifth year within sixty (60) days of securing full-time employment. Participants will be required to notify HABC within thirty (30) days of securing full-time employment.

Where a student becomes part of the SHI program after they have already completed course work at a Baltimore City college/university, HABC will adjust the participation period in the program to reflect the remaining portion of the applicable year cap.

Other Requirements

- In the event the gross rent exceeds the applicable one- or two-bedroom payment standard, the SHI participant will pay the difference; however, HABC will not approve a unit where the family share is greater than 40% of the family's adjusted monthly income.
- The family size must be consistent with the occupancy standards for a one- to two-bedroom unit without being overcrowded.
- HABC will conduct reasonable rent determinations prior to unit approval.
- HABC will provide utility allowances to students where the cost of utilities is not included in the rent.
- The subsidy will be limited to housing assistance, in the form of rent in privately owned housing and will be paid directly to the housing provider; however, where

applicable, the subsidy may cover security deposit assistance up to one month's subsidy.

- HABC will conduct

- **HOUSING QUALITY STANDARDS AND *INSPECTIONS*** as noted in this Plan.
- If the student is at $0 HAP for six (6) months, the subsidy will be terminated, and assistance will no longer be provided.
- Prior to terminating a participant's voucher, HABC will provide the participant with sixty (60) day's written notice and offer the participant an opportunity for an informal hearing where applicable.

Hardship

In the event that a student needs to take an extended leave from his or her academic program, the subsidy will be discontinued; however, the student may reapply, through their college/university, to the SHI as long as the program continues to operate. For leaves which do not exceed two months in duration, and which have been reviewed and approved by HABC and the partner college/university, the subsidy will continue.

3.4.2 Local Preferences

Within each preference category listed below, HABC will grant priority to families who are residents of Baltimore City. Families who do not live in Baltimore City will only be considered for assistance after the waiting list of families who live in the City is exhausted, regardless of preference.

In accordance with HUD regulations at 24 CFR § 982.207(b)(1)(v), applicants who are working or who have been notified that they are hired to work in Baltimore City must be treated as residents of Baltimore City. HABC may treat graduates of, or active participants in education and training programs in Baltimore City, as residents of Baltimore City if the education or training program is designed to prepare individuals for the job market.

Local preferences will be numerically ranked, with number 1 being the highest preference, in the following order:

Preference #1 – Referrals Only

- A family currently in an HABC Public Housing unit where one or more family members has a disability and that family member has an immediate need (PH/IN) for accommodation related to that disability.
- A family that is in need of emergency relocation due to municipal action or pending HABC land disposition.
- Intimidated Victim, Intimidated Witness (IVIW) in need of immediate relocation based on the health and safety of one or more household members.
- A family in need of replacement housing as a result of a natural disaster.

Preference #2

- **Families with Children** – a household with at least one family member under eighteen (18) years of age;

- **Non-Elderly person with disabilities household (NED) Category II –** a one- or two-adult household where no member is over sixty-two (62) years of age and at least one member has a disability. This is a special purpose voucher.
- **Senior household** – a one- or two-adult household with at least one family member over sixty-two (62) years of age and no member is under eighteen (18) years of age.
- **Other Family** – one or more adults where the head, co-head, or spouse do not have a disability and no family member is under eighteen (18) years of age or over sixty-two (62) years of age. The household may include an adult family member with disabilities.

These preferences are all treated equally under Preference 2 irrespective of the numbered list above. (Note: applying as a NED and being determined eligible as another Preference 2 category does not change the Preference level).

Preference for Residents of Project-Based Properties / Choice Mobility

HABC provides a Choice Mobility option to residents living in properties that converted under the Rental Assistance Demonstration (RAD) program to Project-Based Rental Assistance (PBRA), or Project Based Voucher (PBV) subsidy. Under Choice Mobility, a resident of a RAD PBRA or PBV unit will have the opportunity to request an HCV, which may be used to move to a rental unit in the private rental market.

See requirements below:

- **RAD PBRA sites:** This preference will be applied to residents that select the Choice Mobility option when they apply to HCVP's Choice Mobility tenant-based waiting list. Only residents living in HABC RAD PBRA properties will be eligible to apply for a tenant-based voucher under this preference. For residents living in sites subsidized under RAD PBRA, in order to qualify for a Choice Mobility HCV, the residents must currently reside at the RAD PBRA site, and must have resided in that site for:
    - 24 months from the date of execution of the HAP Contract for the RAD property in which they live; or
    - 24 months after the resident's move-in date at the RAD PBRA property.

  Residents wishing to exercise the RAD Choice Mobility option must meet all HCVP eligibility criteria, including the program income requirements and the screening criteria, in effect at the time of the tenant-based voucher issuance.

  HABC may limit the number of HCVs issued under the RAD Choice-Mobility option for PBRA conversions to no more than one-third (33%) of its annual turnover vouchers in any calendar year. If this inventory cap is applied, HABC will maintain a Choice-Mobility Priority List in chronological order based on the date each eligible household requests a tenant-based voucher. Households not selected due to the cap will retain their position on the list for the following year.

  HABC does not currently apply a project-specific turnover cap.

- **RAD PBV Sites:** For residents living in properties that converted under RAD with a Project-Based Voucher (PBV) subsidy, a family may elect at any time after its first year of occupancy to apply for Choice Mobility tenant-based voucher assistance. Upon reaching the top of the waiting list, and

after being determined eligible, they will be required to terminate the lease. HABC is required to offer the voucher assistance, if available.

Under RAD PBV, HABC can, but is not required to, establish a voucher inventory turnover cap, if as a result of RAD, HABC has project-based more than 20 percent of its authorized ACC units. If HABC adopts a turnover cap, HABC would not be required to provide more than three-quarters of its turnover vouchers in any single year to the residents of the RAD PBV projects. In this case, HABC must create and maintain a waiting list to track requests from eligible households for Choice Mobility vouchers in the order in which the requests were received.

HABC may not apply a voucher inventory turnover cap to families residing in traditional PBV units, even if those units are in the same project with RAD PBV units.

3.4.3 Other Preferences

Emergency Housing Vouchers

HABC will provide a waiting list preference for the HCV program for families who are currently assisted through HABC's EHV program and who are at risk of termination due to the lack of continued program funding. HABC will also provide a preference for any EHV family that experiences a loss or gap in assistance as a result of the lack of continued program funding. This does not apply to EHV families who were terminated from the program for other reasons or were terminated from the program prior to the end of program funding.

The effective date of this preference will be determined by HABC and based on HABC's analysis of available funding and availability of HCVs.

Upon approval from HUD, HABC will be permitted to place all EHV families on its HCV waiting list with the appropriate preference without collecting individual applications from each EHV family.

In the event that HABC is not able to serve all EHVs with a HCV immediately upon termination from the EHV program due to lack of continued program funding, HABC will prioritize families within this preference group according to the following criteria:

1. First, EHV families in which the head of household, co-head, or spouse is elderly or a person with disabilities.
2. Second, EHV families with minor children.
3. Third, all other EHV households, ordered by the original EHV lease-up/program admission date.

Within each of the priority groups above, families within each group will be ordered by original EHV lease-up/program admission date, with the earliest dates first.

If any EHV families transitioning to the HCV program qualify for the Mainstream program and HABC has Mainstream vouchers available, HABC may opt to prioritize transitioning those families to the Mainstream program rather than its regular HCV program.

EHV families who transition to the HCV or Mainstream programs will not be re-screened for program eligibility and are not subject to income targeting requirements. However, HABC shall verify documentation of SSN and eligible citizen/non-citizen status (if applicable) of each household member

who contends eligible immigration or citizenship status before transferring the family to the HCV or Mainstream program.

Tenant Based and Project Based Displacement Preference:

HABC will provide an admission preference to tenant-based and project-based families displaced due to inspection standards non-compliance in accordance with the regulations at 24 CFR 982.404(e)(2) and 24 CFR 983.208(d)(6)(ii).

Mainstream Voucher Program Preference

The Mainstream Voucher Program will provide assistance to non-elderly persons with disabilities that qualify for any one of the following preference categories:

1. Transitioning out of institutional or other segregated settings;
2. At serious risk of institutionalization;
3. Homeless; or
4. At risk of becoming homeless.

Voucher recipients for the Mainstream Voucher Program under this award are any household that includes one or more non-elderly persons with disabilities, *and* who fall under one of the above-listed preferences. The admission preferences are applicable to all applicants on the tenant-based waiting lists.

HABC will screen applicants on the tenant-based waiting list for the preferences defined within this subsection. Applicants who meet the non-elderly disabled qualifications will be asked to come into HABC's office for eligibility determination and to apply all verified preferences as outlined in this Chapter.

If all Mainstream Vouchers are being utilized, the applicant will receive a regular tenant-based voucher. If the applicant is not eligible for a Mainstream Voucher, they will be placed on the waiting list in accordance with their eligibility status as determined by HCVP unless eligible for a tenant-based voucher at the time of interview.

In accordance with PIH Notice 2024-30, HABC will not apply any residency preference to Mainstream Voucher applicants. All applicants will be considered without regard to their current residency status. HABC may choose, but it is not required, to establish a separate waiting list for Mainstream Vouchers. If a separate list is established, HABC will adhere to the requirements of PIH Notice 2024-30.

Bridge Subsidies

HABC receives referrals from the Maryland Department of Disabilities through Money Follows the Person, for eligible clients for a period of three (3) years, after which a tenant-based voucher may be issued if the participant remains eligible. This program is similar to the Non-Elderly and Disabled Category II (NEDs Cat II) Program.

3.4.4 Verification of Preferences

The qualification for a preference must exist at the time the preference is claimed on the original application (or the application is updated) and at the time of verification, because claim of a preference determines placement on the waiting list. If a preference is denied, the applicant will be re-sequenced on the waiting list in accordance with their verified preference status and given an opportunity for an informal review.

If, at the time the family applied, the preference claim was the only reason for placement of the family on the list and the family does not verify their eligibility for the preference as of the date of application, the family will be removed from the list.

If the applicant falsifies documents or makes false statements in order to qualify for any preference, they will be removed from the waiting list. Applicants making false statements to claim a preference will be ineligible for assistance for three (3) years from the date of their selection from the waiting list.

Preference Modification

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 HABC by submitting their changes online via the Applicant Portal. An alternative method or reasonable accommodation may be requested in the event a computer is not accessible by the applicant.

When an applicant claims an additional preference, s/he will be placed on the waiting list in the appropriate order determined by the newly claimed preference, if that preference is of a higher ranking.

The exception to this is, if at the time the family applied, the waiting list was only open to families who claimed that preference. In such case, the applicant must verify that they were eligible for the first preference before they are returned to the waiting list with the new preference.

Preference Denial and Appeal

If HABC denies a preference, HABC will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for an informal review. If the preference denial is upheld as a result of the informal review, or if the applicant does not request an informal review, the applicant will be returned to the waiting list without benefit of the preference. However, if at the time the family applies while the waiting list is only open to families who claim that preference, and the applicant cannot prove that preference, the applicant will not be returned to the waiting list. Applicants may exercise other rights if they believe they have been discriminated against.

3.5 APPLYING FOR ADMISSION

To be considered for the HCV program, individuals and families must first submit a complete pre-application when the waiting list is open. Applicants are placed on the list and selected by HABC in the proper order based on established preferences, random selection or date and time of application, and other relevant criteria. Being placed on the waiting list and selected from the waiting list does not guarantee that assistance will be provided.

The application process will involve two phases, the preliminary application and the eligibility determination.

3.5.1 Preliminary Applications

The first phase of the application process is the preliminary application for assistance. The purpose of this phase is to allow HABC to preliminarily assess preferences and to determine placement on the waiting lists. Therefore, the applicant must provide an appropriate and complete application.

To provide specific accommodation for persons with disabilities, the information may be taken by a staff person over the telephone. It may also be mailed to the applicant and, if requested, it will be mailed in an accessible format.

The information on the preliminary application will not be verified until the applicant has been selected for eligibility determination.

3.6 SELECTION FROM THE WAITING LIST

3.6.1 When funding is available, families will be selected from the waiting list in their determined sequence, regardless of family size, subject to income targeting requirements, special purpose voucher categories, and other requirements described in ORGANIZATION OF THE WAITING LIST, and accounting for any verified PREFERENCESOrder of Selection

HABC's method for selecting applicants from a preference category provides a clear audit trail that can be used to verify that each applicant has been selected in accordance with the methods specified in this Plan and in accordance with applicable HUD guidelines.

PREFERENCES.

When there is insufficient funding available for the family at the top of the list, HABC will not admit any other applicant until funding is available for the first applicant.

3.6.2 Notification of Selection

HABC will notify the family in writing when it is selected from the waiting list. If a notification letter is returned to HABC with no forwarding address, the family will be removed from the waiting list without further notice.

If an applicant fails to respond, in the manner and time frame requested by HABC, the applicant may be withdrawn from the waiting list(s). When a family is withdrawn from the waiting list for failure to respond, no informal review will be offered. Such failures to act on the part of the applicant prevent HABC from making an eligibility determination; therefore, no informal review is required.

3.6.3 Application Completion and Interview

When an applicant reaches the top of the waiting list, HABC will send a written notice scheduling an eligibility interview. The notice will list required documents and the areas to be verified. All adult household members must attend and sign required forms unless an approved reasonable accommodation applies (e.g., for students attending school out of state or individuals with disabilities).

All preferences claimed on the application or while the family is on the waiting list will be verified during the application completion and interview process. See **Verification of Preferences**. After the preference is verified, the applicant will be required to:

- Complete and sign the full application
- Complete and sign all HABC required forms

Applicants may request a reasonable accommodation for completion of an application. HABC staff will interview the applicant to review the information on the full application form.

The full application for housing assistance will be completed during the eligibility interview. Applicants will be required to furnish complete and accurate information as requested by the interviewer during the interview. HABC will obtain the information necessary to screen applicants for eligibility and process their applications. During the interview, HABC will:

- Verify applicant information
- Conduct eligibility screening (per **ELIGIBILITY FOR ADMISSION** policies)
- Review the family's circumstances
- Provide information about the application and verification process, and available HABC services

Applicants must sign all required forms, including the application, required release forms, citizenship/immigration declarations, and consent to release criminal background and verification records. Failure to sign required documents or revoking consent will result in denial of assistance.

If additional documentation is needed, HABC will provide a written request. Applicants will have 10 business days to respond. Failure to provide required documentation may result in denial, without the right to an informal review.

Applicants who miss two scheduled appointments or cannot be reached will be withdrawn from the waiting list. If withdrawn for failure to attend, HABC will notify the applicant in writing and may provide instructions for reapplying when the list reopens. No informal review is offered for failure to attend the interview.

See **VERIFICATION** for requirements regarding documentation requirements including age of documents collected during the screening and eligibility process.

3.6.4 Satisfaction of an Application for Housing Assistance

Applications for housing assistance under the HCV Program shall be considered complete and satisfied upon an applicant's acceptance of a voucher or leased housing subsidy assistance from HABC.

If an application indicates a request for consideration HCV TBV, PBV and Mod Rehab, and the applicant is offered and refuses assistance under one of these sub-programs but wishes to remain active on the waiting list for the other sub-program, then the applicant shall be removed from the waiting list for the sub-program refused but shall remain active on the waiting list for the other sub-programs.

If, during the eligibility process, an applicant's voucher for any sub-program is denied for cause, then the application shall be withdrawn from all HCV program waiting lists.

CHAPTER 4: ELIGIBILITY FOR ADMISSION

4.1 INTRODUCTION

This chapter defines HABC criteria for admission and denial of admission to the program. HABC will review the information provided by the applicant carefully and without regard to factors other than those defined in this chapter and will apply all criteria consistently and objectively when evaluating the eligibility of applicants. Applicants 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 HABC pertaining to their eligibility.

4.2 ELIGIBILITY FACTORS

HABC accepts applications only from applicants whose head of household, spouse or co-head, is at least eighteen (18) years of age or older, or an emancipated minor under State law.

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

HUD eligibility criteria are:

- An applicant must be a family as defined in 24 CFR § 5.403.
- An applicant must be income eligible as a family in accordance with 24 CFR § 982.201(b) and 24 CFR Part 5, Subpart F. See **INCOME ELIGIBILITY**.
- An applicant must furnish Social Security numbers (SSN) for all household members. Verification of SSNs are required for all members in accordance with 24 CFR Part 5, Subpart B.
- At least one member of the applicant family must be either an U.S. citizen/national or have eligible immigration status before HABC may provide financial assistance, in accordance with 24 CFR Part 5, Subpart E.
- No family member has committed drug-related, violent, or other serious criminal activity within the last three years. HABC will deny eligibility for admission for a period of eighteen (18) months for a misdemeanor conviction, and for a period of three (3) years for a felony conviction beginning on the date of conviction or the date the member was released from incarceration, whichever is later.
- No family member is subject to a lifetime registration requirement under a State sex offender registration program (Tier III), in accordance with 24 CFR § 982.553(a)(2)(i).

Initial admissions eligibility is determined based on the information supplied by the applicant during the eligibility process. The application will be reviewed for completeness and the data contained in the application will be reviewed for consistency (i.e., responses on the application are compatible with the definitions of the criteria used to determine program eligibility).

HABC emphasizes the fact that the preliminary application is only to place and rank the applicant on the waiting list. Eligibility factors will not be reviewed before the applicant is placed on the waiting list.

Final determination of eligibility is made after the information provided on the application has been verified and updated to reflect the applicant's current status. The final determination that is required for voucher issuance must be conducted within sixty (60) days of voucher issuance.

Changes to an application may be updated online through the HCVP Applicant Portal. See HABC's website for information on how to access the Applicant Portal.

4.3 FAMILY COMPOSITION

4.3.1 Family

To be eligible for admission, the applicant must qualify as a family. The definition of *family* is made regardless of actual or perceived sexual orientation, gender identity, or marital status. *Family* as defined by HUD includes, but is not limited to the following:

- A single person, who may be:
    - An elderly person, displaced person, disabled person, near-elderly person, or any other single person;
    - An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older.
- A group of persons residing together, and such group includes, but is not limited to:
    - A family with or without a child or children;
    - An elderly family;
    - A near-elderly family;
    - A disabled family;
    - A displaced family; and
    - The remaining member(s) of a participant family as listed on the lease.
- A child who is temporarily away from home because of placement in foster care is considered a member of the family. This provision only pertains to the foster child's temporary absence from the home and is not intended to artificially enlarge the space available for other family members.

4.3.2 Household

Household is a broader term than *family* that includes additional people who, with HABC's permission, live in the same unit (i.e., live-in aides, foster children, foster adults).

4.3.3 Head of Household

The head of household is the adult member of the household who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State/local law. HABC does not permit a parent or legal guardian to co-sign any document on the applicant's behalf if the head of household is under eighteen (18) and, under State and local law, does not have the legal capacity to enter into a legally binding contract.

Emancipated minors who qualify under State law will be recognized as head of household if there is a court order declaring them as an emancipated minor. If there is no court order, HABC will consider other evidence of emancipation recognized under Maryland state law such as, for example, a person under eighteen (18) years old who is married or serving in the military.

A family may designate an elderly member or a member who is a non-elderly person with a disability as head of household solely to qualify the family for the allowance available for elderly persons and non-elderly persons with disabilities, provided that the person is at least partially responsible for paying the rent.

4.3.4 Spouse of Head of Household

Spouse means the marriage partner of the Head of Household.

For proper application of the Non-Citizen Rule, the definition of *spouse* is the marriage partner who, in order to dissolve the relationship would have to be divorced. The term *spouse* does not apply to boyfriends, girlfriends, significant others, or co-heads.

4.3.5 Co-Head

The co-head is an individual in the household who is equally responsible with the head of household for ensuring the family fulfills all its responsibilities under the Program, but who is not the spouse. A household may have either a spouse or co-head, but not both. A co-head never qualifies as a dependent and may not retain or receive a voucher while listed as a co-head on someone else's voucher. Co-heads must separately apply when the waiting list is open to receive their own, separate assistance.

4.3.6 Adult/Other Adult

An *adult* is an individual who is eighteen (18) years of age or older. *Other adult* means a family member, other than the head of household, spouse, or co-head, who is eighteen (18) years of age or older. Foster adults and live-in aides are NOT considered other adults.

4.3.7 Elderly Person

An elderly person, as defined by HUD, is a person who is at least sixty-two (62) years of age.

4.3.8 Elderly Family

An elderly family is one in which the head, spouse, co-head, or sole member is an elderly person. Elderly families qualify for the elderly family allowance and health and medical care deduction as described in

Health and Medical Care Expense Deduction.

4.3.9 Non-Elderly Person with a Disability Family

A non-elderly person with a disability family is a family whose sole member, head of household, co-head, or head of household's spouse is a person with a disability who is under the age of sixty-two (62).

4.3.10 Persons with Disability and Disabled Family

Persons with Disabilities: There are two different definitions for disabled persons used in the HCV program. One definition is used to qualify a family for the disabled household deduction and the other is used in determining eligibility for a reasonable accommodation. See the definitions of disability in the **FAIR HOUSING AND EQUAL ACCESS** chapter for the applicable definitions.

Disabled Family: A disabled family is one in which the head, spouse, or co-head is a person with disabilities.

4.3.11 Live-in Aides

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

- Is eighteen (18) years of age or older,
- Is essential to the care and well-being of an elderly person, or a person with a disability in the household as verified in writing by a health professional;
- Is not obligated for the support of the person(s);
- Would not be living in the unit except to provide care for the person(s); and
- Meets all applicable eligibility and screening criteria.

In addition, the following requirements apply to live-in aides:

- A live-in aide is not considered to be an assisted family member and has no rights or benefits under the Program.
- The income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits.
- Live-in aides are not subject to non-citizen rule requirements.
- Live-in aides may not be considered as a remaining member of the participant family. Once the HCVP participant's assistance stops, the housing assistance payments stop for the household. Live-in aides will not be covered under HCVP assistance.
- Participants may not convert a live-in aide to a family member (even if related) because such a conversion would allow individuals to circumvent the application process and the Housing Choice Voucher waiting list. If approved, only the live-in aide can reside in the unit with the applicant household. No other member of the live-in aide's family can live in the assisted unit.
- Live-in aides will be provided a separate bedroom. If a live-in aide waives their right to have a separate bedroom, HABC will require the live-in aide to certify that they have waived this right.
- Relatives are not automatically excluded from being live-in aides; however, requests to add relatives as live-in-aides must be approved by the Senior Vice President for HCVP, or designee. To be a live-in aide, relatives must meet all the elements in the live-in aide definition described above. In addition, the prohibition against converting live-in aides to family members includes relatives approved as live-in aides.
- Household members already listed on the lease who will remain in the unit will not be removed from the lease for purposes of becoming a live-in aide. Household members removed from the voucher may not be added back to the household as a live-in aide for a period of 12-months from the date of removal, unless approved by the Senior Vice President for HCVP, or designee. Prior household members, who are being added back to the household as a live-in aide, after the required timeframe, will require HABC approval.

Approval of a Live-In Aide

A live-in aide may only reside in the unit with the approval of HABC. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or caseworker, who must certify that a live-in aide is needed for the care of the family member who is elderly or a person with a disability.

If HABC does not approve the addition of a live-in aide, HABC will notify the family in writing and provide the family with an opportunity to request an informal meeting. If an existing live-in aide is no longer required for occupancy in the assisted unit, the live-in aide must vacate the unit within 30 days of the notice from HABC.

After HABC approves the addition of a live-in aide on behalf of an applicant or participant, the applicant or participant must submit a specific live-in aide's name and information for approval by HABC.

Any person proposed as a live-in aide, including relatives, must be approved by the owner of the unit and pass HABC's eligibility and screening criteria, including EIV prior debt and adverse termination screening. HABC has the right to disapprove a request for a live-in aide based on the policies described in this Chapter.

HABC will require the live-in aide to execute an acknowledgment form in which the live-in aide agrees to abide by the terms and conditions of HCVP's family obligations. By signing the acknowledgement form, the live-in aide also agrees that the status as a live-in aide does not make the person a HCVP participant or give the person rights as a HCVP participant. Live-in aides who are denied admission are not eligible to request informal reviews or hearings.

At any time, HABC will refuse to approve a particular person as a live-in aide or may withdraw such approval if:

- The person commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- The person commits drug-related, violent, or other serious criminal activity; or
- The person currently owes rent or other amounts to HABC or to another PHA in connection with HCV or public housing assistance under the 1937 Act.

4.3.12 Guests

A guest is defined as a person temporarily staying in the unit with the consent of the participant or other member of the household who has express or implied authority to consent on behalf of the participant and is not considered part of the participant household.

Guests should not remain in a unit in excess of fourteen (14) consecutive days, or a total of ninety (90) days in a 12-month period without HABC approval. For any guest who has income and who remains in the unit for longer than the specified time, HABC will include that income in the calculation of total family income. HABC will determine the effective date for the participant's annual, biennial, or triennial review, whichever applies.

Guests who remain in a unit beyond this period are considered an unauthorized occupant, which constitutes a violation of Family Obligations and may result in the termination of assistance.

Unauthorized Occupant

Determination of unauthorized status may include a combination of the following:

- Absence of evidence of any other address will be considered verification that the visitor is a member of the household.
- Statements from neighbors and/or the landlord will be considered in making the determination.
- Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.
- Investigations completed by HABC, may result in the determination of unauthorized occupants.

4.3.13 Visitors

A visitor is defined as a person temporarily visiting the unit with the consent of the participant or other member of the household who has no express or implied authority to consent on behalf of the participant. Visitors are not considered a part of the participant household.

Any person who has been in the unit more than fourteen (14) consecutive days without HABC approval, or a total of ninety (90) days in a 12-month period, will be considered as to be living in the unit as an unauthorized household member (see **Unauthorized Occupant** above).

4.3.14 Multiple Families in the Same Household

If two or more families living together apply as a family unit, they will be treated as a family unit.

4.3.15 Parent-Child Relationship, Legal Custody/Guardianship

HABC may require the family to provide documentation of parent-child relationship and/or legal custody/guardianship. Verification includes the following:

Parent-Child Relationship

- Birth certificate listing the parent's name(s).
- Final adoption decree.
- Sworn affidavit by a relative or other person with personal knowledge of the facts of the child's birth, such as a baptism issued by a church.

Legal Guardianship

- Order or letter of guardianship signed by a judge.
- A will, appointing the guardian. A will does not provide guardianship, but it is proof of the decedent's wishes. This should only be used during and while waiting for an actual order appointing a person as a guardian.
- Affidavit of Guardianship; or
- Letter from the Department of Social Services (DSS).

4.3.16 Joint Custody and/or Temporary Guardianship of Dependents

Dependents subject to a joint custody arrangement that live with one parent/guardian at least 51% of the time will be considered members of the household. *51% of the time* is defined as one hundred and eighty-three (183) days of the year, which do not have to run consecutively.

A self-certification is required of families who claim joint custody or temporary guardianship.

When both parents are on the waiting list and both are trying to claim a child, the parent whose address is listed in the child's school records is the one allowed to claim the school-age child as a dependent.

In cases in which parents have joint custody of a child or children (50/50 custody), HABC grants the child deduction to the household of record provided by Baltimore City Public Schools or a private school. If the child is residing outside of HABC's jurisdiction, due to joint custody, the principal household of record provided by the applicable school system is used to determine family composition, living arrangements and the standard deduction.

If the child is not enrolled in school, HABC will rely upon official records from daycare providers, tax records, and/or insurance providers such as Medicaid.

When more than one participant (already on the program) claims the same dependent(s) as a family member, the participant with primary custody at the time of the initial examination or reexamination will be able to claim the dependent(s).

Contested custody will be substantiated with proof of residency from the following sources:

- Court orders;
- Government benefits verification;
- IRS Income Tax Returns showing which family has claimed the dependent for income tax purposes;
- School records; and
- Other credible documentation.

HABC may make an exception to the **SUBSIDY STANDARDS** and allow two assisted households space for the same dependent where there is joint and physical custody; however, HABC will allow only one household to claim the dependent deduction. Exceptions to this policy will be reviewed on a case-by-case basis.

4.3.17 Foster Children and Foster Adults

A *foster child* is a member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

A *foster adult* is a member of the household who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Foster children and foster adults who are living with an applicant or participant family are considered household members but not family members and therefore do not have residual rights to the voucher.

4.3.18 Full-Time Students

A full-time student is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution. A full-time student is not the head, spouse, or co-head of household.

4.3.19 Veteran

A veteran is a person who served in the armed forces of the United States (Army, Navy, Air Force, Marines or Coast Guard, Reservists and/or National Guard), other than for training and was discharged or released under conditions other than dishonorable. HABC may request discharge documentation to verify honorable discharge.

4.4 INCOME ELIGIBILITY

4.4.1 Income Limits

Income limits are used for eligibility only at admission. Income eligibility is determined by comparing the annual income of an applicant to the applicable income limit for their family size. Income and net family assets of household members are excluded when determining income eligibility; however, household members are considered for purposes of unit size and subsidy standards.

In order to be income eligible, an applicant family must be one of the following:

- An extremely low-income or very low-income family.
    - *Extremely low-income family*. A family whose annual income does not exceed the federal poverty level or 30% of the median income for the area, whichever number is higher.
    - *Very low-income family*. A family whose annual income does not exceed 50% of the median income for the area, adjusted for family size.
- A low-income family that has been *continuously assisted* under the 1937 Housing Act.
    - *Low-income family*. A family whose annual income does not exceed 80% of the median income for the area, adjusted for family size.
    - *Continuously assisted.* HABC will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were issued a voucher by HABC or if there is a break in assistance under any 1937 Housing Act program for a period of less than 30 days from the date of the screening appointment with HABC. This policy assumes that the break in assistance is not due to adverse termination and that the applicant has left the prior program in good standing.
- A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173.
- A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing.

To determine if the family is income eligible, HABC compares, at the time of admission, the annual income of the family to the applicable income limit for the family's size.

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

The applicable income limit used for initial issuance of a voucher is the highest income limit within the jurisdiction where the voucher will be used.

For Portability families leasing up for the first time, the family must meet the income eligibility limits of the receiving HABC's jurisdiction where they intend to reside.

4.4.2 Income Limits for Targeting

See **Income Targeting**.

4.4.3 Income Limits for VASH

For VASH households, see **Income Determination** for VASH households section of the **SPECIAL PURPOSE VOUCHER PROGRAMS** chapter.

4.5 CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS

At least one family member must be a citizen, national, or non-citizen with eligible immigration status in order for the family to qualify for any level of HCV assistance. Eligible immigrants are persons who are in one of the immigrant categories as specified by HUD and 42 U.S.C. § 1436(a).

4.5.1 Declaration of Citizenship

Each family member must declare whether he/she is a citizen, a national, eligible non-citizen, or an individual who elects not to contend that they have eligible immigration status. For citizens, nationals and eligible non-citizens the declaration must be signed personally by the head, spouse, co-head, and any other family member 18 or older, and by a parent or guardian for minors.

Those who elect not to contend their status are considered to be ineligible non-citizens. The family must identify in writing any family members who elect not to contend their immigration status.

No declaration is required for live-in aides, foster children, or foster adults.

4.5.2 U.S. Citizens and Nationals

Citizens and nationals are required to submit only a signed declaration as verification of their status.

Family members who declare citizenship or national status will not be required to provide additional documentation unless HABC receives information indicating that an individual's declaration may not be accurate.

4.5.3 Eligible Non-Citizens

In addition to providing a signed declaration, those declaring eligible non-citizen status must provide documentation to confirm the claimed citizenship status and cooperate with HABC efforts to verify their immigration status.

The documentation required for establishing eligible non-citizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS.

HABC will use the USCIS SAVE system to verify eligible immigration status.

4.5.4 Ineligible Non-Citizens

Ineligible non-citizens are those non-citizens who do not wish to contend their immigration status and are required to have their names listed on a non-contending family members listing, signed by the head, spouse, or co-head (regardless of citizenship status), indicating their ineligible immigration status. HABC is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to non-citizen students is prohibited. This prohibition extends to the non-citizen spouse of a non-citizen student as well as to minor children who accompany or follow to join the non-citizen student. Such prohibition does not extend to the citizen spouse of a non-citizen student or to the children of the citizen spouse and non-citizen student. Such a family is eligible for prorated assistance as a mixed family.

4.5.5 Mixed Families

A family is eligible for assistance as long as at least one member is a U.S. citizen, U.S. national, or eligible non-citizen. Families that include eligible and ineligible individuals are considered mixed families. Assistance to mixed families shall be prorated. Families will receive notice of determination as a mixed family. The notice will include the fact that assistance will be prorated and that the family may request a hearing if they contest this determination.

4.5.6 Ineligible Families

HABC will not provide assistance to a family before the verification of eligibility for at least one family member.

When a HABC determines that an applicant family does not include any U.S. citizens, U.S. nationals, or eligible non-citizens, following the verification process, the family will be sent a written notice of the determination.

The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance, and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with HABC.

The informal hearing with the HABC may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process

4.5.7 Timeframe for Determination of Citizenship Status

For new applicants, HABC will ensure that evidence of eligible citizenship status is submitted no later than the date that HABC completes verification of other aspects of eligibility for assistance.

HABC will grant an extension to submit evidence of eligible immigration status if the family member:

- Submits the declaration, certifying that any person for whom required evidence has not been submitted is a non-citizen with eligible immigration status; and
- Certifies that the evidence needed to support a claim of eligible immigration status is temporarily unavailable, additional time is needed to obtain and submit the evidence, and prompt and diligent efforts will be undertaken to obtain the evidence.

If an individual qualifies for a time extension for the submission of required documents, HABC will grant such an extension for no more than 30 days. HABC's decision to grant or deny an extension will be issued to the family by written notice.

If the family fails to submit required evidence of eligible immigration status within the time period specified in the notice, or if the evidence is timely submitted but fails to establish eligible immigration status, HABC will proceed to deny assistance.

4.6 SOCIAL SECURITY NUMBERS

The applicant and all members of the applicant's household must disclose the complete and accurate Social Security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. See policies on verification of Social Security numbers (**VERIFICATION OF SOCIAL SECURITY NUMBERS**

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Tenants who are 62 years old or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, who have not previously disclosed an SSN, will not be required to provide documentation of a valid SSN and remain exempt even if they move to a new assisted unit.

Failure to disclose and/or provide appropriate documentation of SSN, as applicable, may result in denial of assistance.

Note: these requirements do not apply to noncitizens who do not contend eligible immigration status.

4.6.1 Timeframe to Submit Documentation of SSN

Assistance cannot be provided to the family until all SSN documentation requirements are met.

HABC will request verification of the SSN during screening for eligibility. HABC will defer the eligibility determination for a period of 60 days from the date of the screening appointment for families with members who are eligible to receive an SSN but who have not yet provided verification of their SSN. If after 60 days the required SSN documentation is not provided, HABC will deny assistance. See policy exception below on Social Security numbers for children under the age of 6.

If a child under age 6 has been added to an applicant family within 6 months prior to voucher issuance, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of the effective date of the initial HAP contract. HABC will grant one additional 90-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN

application by the SSA, natural disaster, fire, death in the family, or other emergency. If a 90-day extension is merited, HABC will verify the SSN for the child by the end of the 90-day extension period or follow the policies related to penalties for failure to disclose an SSN.

Participants who contend eligible immigration status and who have not previously disclosed a valid SSN must do so at their next scheduled or interim reexamination or within 90 days of HABC's request. HABC may grant an additional 90-day period, if there are unforeseen circumstances beyond the family's control that prevent the family from complying with the SSN requirements or there is a reasonable likelihood that the participant will be unable to disclose an SSN by the deadline.

If a proposed new household member is an adult, HABC will not approve the addition of the adult to the household until SSN documentation has been provided.

If the proposed new member is under the age of 6 and has not been assigned a SSN, HABC will allow the child to be added to the household; however SSN documentation must be provided within 90 days of the child being added to the household. HABC, at its own discretion, may give an additional 90 days if HABC determines that the participant's failure to comply was due to circumstances that could not have reasonably been foreseen and were outside the control of the participant. During the period that HABC is awaiting documentation; the child shall be included as part of the tenant household and the child shall be entitled to all the benefits of being a household member. If upon expiration of the provided time period, including any extensions, the participant fails to produce an SSN for the child, the family will be subject to the penalties for failure to disclose a SSN.

HABC will provide alternate ID numbers for eligible families that include members who are not U.S. citizens or do not have eligible immigration status.

4.7 REQUIRED DOCUMENTS

4.7.1 Proof of Age

Applicants must provide birth certificates/proof of age/proof of birth for all household members. The family must supply any other information that HABC or HUD determines necessary to the administration of the program.

4.7.2 Photo ID

To ensure HABC has the ability to identify all persons 18 years of age or older (not just the head of household), all adult household members will be required to provide a current, government-issued identification at admission, upon addition to an HCV household or upon turning 18. For example, if a household member turns 18 between regular reexaminations, he or she must provide a government issued photo identification at the household's next regular reexamination.

HABC reserves the right to request an updated photo ID after admission to the program to confirm legal identity.

As an accommodation for individuals with disabilities and elderly individuals, as well as for individuals with religious considerations, with prior HABC approval, HABC may accept other forms of identification to establish identity.

4.7.3 Authorization for the Release of Information

MTW Release of Information Form

MTW Policy

Applicants and participants, including all adults (i.e., 18 years of age and older) in their households, are required to sign HABC's MTW Authorization for Release of Information form (instead of the HUD-9886-A form).

This document authorizes HABC to request information from the State wage information collection agency, income information, wages, and resource information from financial institutions net earnings from self-employment, payments of retirement income, and unearned income as referenced at 26 U.S.C. 6103, and other Federal collection agencies in order to verify household income. This document incorporates the Federal Privacy Act Statement and does not provide authorization for the release of family information by HABC.

Failure to sign the consent form will result in the denial of eligibility or termination of assisted housing benefits. Revocation of consent will result in denial of admissions or termination of assistance.

On or after March 1, 2024, existing participants must sign the MTW Release Form at their next regular or interim reexamination. Thereafter, family members do not need to sign and submit subsequent consent forms at the next interim or regularly scheduled income examination except under the following circumstances:

- When any person 18 years or older becomes a member of the family, that family member must sign and submit a consent form; or
- When a member of the family turns 18 years of age, that family member must sign and submit a consent form.

The MTW Release Form is signed once by all adults aged 18 and over and any adult added to the family or household member turning 18. The release form will remain effective until the earliest of:

- The rendering of a final adverse decision for applicants;
- The cessation of a participant's eligibility for assistance from HUD or HABC; or
- The express revocation by the applicant or participant (or applicable family member) of the authorization in a written notification to HUD.

Authorization for the Release of Information/Privacy Act Notice (HUD-9886-A Form)

Applicable to: Mod Rehab and any other households not subject to MTW policies.

Each adult family member and the head of household, spouse, or co-head, regardless of age, is required to sign form HUD-9886 (replaced by new form HUD-9886-A), Authorization for the Release of Information/Privacy Act Notice or comparable form authorized by HUD. The purpose of form HUD-9886-A is to facilitate automated data collection and computer matching from specific sources and to provide the family's consent only for the specific purposes listed on the form.

On or after January 1, 2024, current program participants must sign and submit a new form HUD-9886-A at their next interim or regular reexamination. This form will only be signed once. Another form HUD-9886-A will not be submitted to HABC except under the following circumstances:

- When any person 18 years or older becomes a member of the family;
- When a current member of the family turns 18; or
- As required by HUD or HABC in administrative instructions.

The executed form will remain effective until the family is denied assistance, assistance is terminated, or the family provides written notification to HABC to revoke consent.

HABC will deny admission to the program or terminate assistance if any member of the applicant family fails to sign and submit required consent forms which allow HABC to obtain information that HABC has determined is necessary in administration of the HCV program. Further, revocation of consent to the form HUD-9886-A by any family member will result in termination of assistance or denial of admission.

4.7.4 Other HABC-Required Consent Forms

Additionally, families may be required to sign other HABC consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

HABC will deny admission to the program or terminate assistance if any member of the applicant family fails to sign and submit the consent forms which allow HABC to obtain information that HABC has determined necessary in the administration of the HCV program.

4.8 STUDENT ELIGIBILITY

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child and is not a person with disabilities receiving HCV assistance, then the student's eligibility must be examined along with the income eligibility of the student's parents. In these cases, both the student and the student's parents must be income eligible for the student to receive HCV assistance.

If a student in these circumstances is determined to be independent from his/her parents (i.e., an *independent student*, as defined below) then the income of the student's parents will not be considered in determining the student's eligibility.

These restrictions do not apply to students who reside with parents who are applying to receive HCV assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

4.8.1 Determining Student Eligibility

To be considered an independent student, the individual must meet one or more of the following criteria:

- The individual is 24 years of age or older by December 31 of the award year for which aid is sought;
- The individual is an orphan, in foster care, or a ward of the court or was an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age or older;

- The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence;
- The individual is a veteran of the Armed Forces of the United States (as defined in subsection (c)(1) of HEA) or is currently serving on active duty in the Armed Forces for other than training purposes;
- The individual is a graduate or professional student;
- The individual is a married individual;
- The individual has one or more legal dependents other than a spouse;
- The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth or as unaccompanied, at risk of homelessness, and self-supporting, by:
    - A local educational agency homeless liaison,
    - The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director
    - A financial aid administrator; or
- The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.
- The individual was not claimed as a dependent by his/her parents pursuant to IRS regulations, as demonstrated on the parents' more recent tax forms.
- The individual provided a certificate of the amount of financial assistance that will be provided by his/her parents. This certification must be signed by the individual providing the support and must be submitted even if no assistance is being provided.

If HABC determines that an individual meets the definition of a vulnerable youth, such a determination is all that is necessary to determine that the person is an independent student for purposes of using only the student's income for determining eligibility for assistance.

4.9 APPLICANT SCREENING

All screening procedures shall be administered fairly and in such a way as not to discriminate on the basis of race, color, sex, religion, national origin, ancestry, age, familial status, disability, sexual orientation or gender identity, or source of income, and not to violate a right to privacy.

HABC will not screen family behavior or suitability for tenancy. HABC will not be liable or responsible to the owner or other persons for the family's behavior or the family's conduct in tenancy.

HABC will give the owner upon request:

- The family's current and prior address as shown in HABC records; and
- The name and address of the landlord (if known by HABC) at the family's current and prior address.

4.9.1 Enterprise Income Verification (EIV) Screening

HABC will conduct EIV screening for new applicants. An EIV Existing Tenant Search Record will be conducted on minor and adult members to identify applicants who may be receiving federal rental assistance. If the EIV Existing Tenant Search Record reveals that an applicant may be receiving another federal housing program subsidy, HABC will give the applicant an opportunity to explain any circumstances relative to his/her receiving another federal rental assistance subsidy. HABC may contact the respective PHA or owner to confirm the individual's program participation status before admission. HABC will not provide assistance to an applicant until confirmation is obtained that there will be no duplicate rental assistance.

All adult household members must sign the form HUD-52675, Debts Owed to Public Housing Authority's and Terminations. Prior to admission to the program, HABC will search for each adult family member in the EIV Debts Owed to PHAs and Terminations module.

HABC will conduct EIV screening on all adult household members to identify former residents of federally assisted rental programs who voluntarily or involuntarily left the program and have a reportable unfavorable status and/or owe money to a PHA or landlord as a result of participation in the HCV Program.

HABC will retain the search results with the application along with any documentation obtained as a result of contact with the applicant and the PHA and/or owner at the other location. HABC will determine if the information warrants a denial in accordance with the policies in this Administrative Plan.

4.9.2 Debt Screening

HABC will conduct a debt screening on all members age eighteen (18) years and older.

Previous outstanding debts to HABC or any public housing authority resulting from a previous tenancy in public housing or participation in the HCV Program (HCVP) must be paid in full prior to admission. The applicant will be denied unless the applicant pays the debt in full within sixty (60) calendar days from the date HABC notifies the applicant of the debt, unless HABC determines that mitigating circumstances exist, or the debt cannot be collected under state law. A determination as to whether the debt may be collected shall be made in consultation with HABC's Office of Legal Affairs.

Denial for Debt to HABC

HABC may deny assistance to an applicant:

- If the applicant family has current debt to HABC or another PHA, or a judgment against them in connection with participation in the HCVP or any other public housing assistance under the 1937 Act, for amounts paid to a HCVP landlord or owner under a HAP contract for rent, damages to the unit or other amounts owed by the applicant family under a lease and the amount is not fully repaid within sixty (60) calendar days from the date HABC notifies the applicant of the debt; and/or
- If the applicant family has breached a repayment agreement with HABC or another PHA entered in connection with participation in the HCVP or any other public housing assistance under the 1937 Act, and the amount is not fully repaid within sixty (60) calendar days from the date of the screening appointment.

Mitigating Factors

Review and approval by the Senior Vice President of HCVP or designee is required when admission is based on mitigating factors. HABC may consider the following factors when considering denial of assistance related to debt screening:

- The effects that denial of assistance may have on other members of the family who were not involved in the action or failure to act.
- Circumstances which led to the creation of the debt (i.e., death of a household member, layoff, medical expenses).
- Current financial circumstances.
- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or a victim of domestic violence, dating violence, sexual assault or stalking.

4.9.3 Criminal Background

HABC will perform a criminal background check on all household members aged 18 or older. A signed Background Check Consent Form, authorizing the release of criminal records from law enforcement agencies, must be completed by the household members for whom the record is being requested or in the case of a minor the adult responsible for said minor. Failure to sign the consent form will result in the denial of assistance.

HABC will check criminal history for all household members aged fourteen (14) years and older. The criminal history check will be performed at initial eligibility determination.

4.9.4 Sex Offender Screening

HABC will perform background checks to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in Maryland, as well as in any other state where a household member is known to have resided.

4.9.5 VASH Screening

Eligibility screening for VASH vouchers is limited to two criteria, and HABC may not deny a VASH household for any reason other than the following:

1. Income for the family size. The family's income must not exceed the HUD income limit based on the family's size (see **Income Determination for VASH**).
2. Sex offender status. No adult household member may be subject to a lifetime registration requirement under a state sex offender registration program.

4.9.6 Changes in Eligibility Prior to Effective Date of the Contract

Changes that occur during the period between issuance of a voucher and lease up may affect the family's eligibility or share of the rental payment. The voucher size must be consistent with the family composition and may be altered prior to lease up.

In addition, if the family reports changes in factors that will affect the total family share prior to the effective date of the HAP contract at admission, the information will be verified, and the total family share

will be recalculated. If the family does not report any change, HABC need not obtain new verifications before signing the HAP contract.

4.10 FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY

After the verification process is complete, HABC will make a final determination of eligibility. This decision is based upon information provided by the family, the verification of the information by HABC, and the current eligibility criteria in effect.

If the family is determined to be eligible, HABC will notify the applicant of the eligibility determination in writing and/or by phone call, inviting them to attend a mandatory voucher briefing. A briefing will be scheduled for the issuance of a voucher and orientation to the housing program.

If the family is determined to be ineligible based on the information provided in the application, HABC will notify the family in writing (in an accessible format upon request as a reasonable accommodation), state the reason(s) they are ineligible, and inform them of their right to an informal review in accordance with the policies in **DENIAL OF ASSISTANCE AND INFORMAL REVIEWS**.

CHAPTER 5: SUBSIDY STANDARDS

5.1 INTRODUCTION

HABC establishes subsidy standards to ensure that vouchers are issued to families for the appropriate unit size. These standards outline the factors HABC uses to determine the correct voucher size based on family composition and include both the minimum and maximum number of household members allowed for each unit size. This chapter also describes the circumstances under which exceptions to the subsidy standards may be granted, procedures for adjusting voucher sizes when a family's composition changes, and other factors that influence the voucher size a family may qualify for.

5.2 DETERMINING VOUCHER (FAMILY UNIT) SIZE

For each family, HABC determines the appropriate voucher size under HABC subsidy standards and enters the family unit size on the voucher that is issued. HABC subsidy standards for determining voucher size shall be applied in a manner consistent with Fair Housing guidelines.

5.2.1 Subsidy Standard Guidelines

The table below provides general subsidy standard guidelines.

Voucher Size	Minimum # of Persons in Household	Maximum # of Persons in Household
0 Bedroom	1	1
1 Bedroom	1	2
2 Bedrooms	2	4
3 Bedrooms	3	6
4 Bedrooms	4	8
5 Bedrooms	6	10
6 Bedrooms	8	12

The subsidy standards must be consistent with space requirements under 24 CFR 5.703, including that the unit must have at least one bedroom or living/sleeping room for every two persons.

5.2.2 Determining Voucher Size

For subsidy standards, an adult is a person in the household who is eighteen (18) years old or older.

The unit size on the voucher remains the same as long as the family composition remains unchanged, regardless of the actual unit size rented. If the voucher size increases due to a change in family composition, HABC will only increase the voucher size at the time the family receives approval to move into a new unit.

HABC will consider factors such as family demographics including sex, age, or relationship. Consideration will also be given for medical reasons and the presence of a live-in aide.

Generally, HABC assigns one bedroom to two people; however, the following guidelines will apply:

- Single person families will be allocated one bedroom.

- A same or opposite sex couple who is married, has an interdependent relationship or domestic partnership will be allocated a one-bedroom voucher.
- The head of household will not be required to share a bedroom with anyone other than the co-head of household, spouse, or partner.
- Household members of the same sex will be required to share a bedroom.
- Children of the opposite sex will not be required to share a bedroom.
- Foster children and children under court awarded custody, appropriately documented, will be included in determining voucher size.
- Live-in aides will be provided one separate bedroom. No additional bedrooms are provided for the live-in aide's family. Live-in aides do not have any rights to the voucher.
- Space may be provided for a student who is away at school but who lives with the family during school recesses. See policy on **Absent Students**.
- Space will not be provided for a family member who will be absent for more than one-hundred and eighty (180) cumulative calendar days in a twelve-month period, except for family members who have been called to active duty.
    - In the case where a family member has been called to active duty, the family composition will remain unchanged even if the family member is absent from the unit for more than six (6) months. After one (1) year, HABC may reevaluate the situation and may take action to ensure the voucher size is relevant to the family composition. If the active-duty member is removed from the household and returns at a later date, the household is required to report the update in family composition. HABC may re-evaluate and take action to ensure the voucher size and household income are relevant to the updated family composition and rent share.

5.3 TEMPORARILY AND PERMANENTLY ABSENT MEMBERS

An individual who is or is expected to be absent from the home for up to 180 consecutive days is considered temporarily absent and continues to be considered a family member.

HABC will require that temporarily absent family members complete and submit required reexamination documents on a timely basis. An individual who is or is expected to be absent from the home for more than 180 consecutive days is considered permanently absent and is no longer a family member. Exceptions to this policy are reviewed on a case-by-case basis. HABC will require documentation to support the length of the period the family member will be absent from the unit.

If an individual who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the household (e.g., documentation of another address at which the person resides such as a lease or utility bill). Once an individual is no longer considered to be a household member, they cannot be added back to the household without rescreening and approval by HABC.

5.3.1 Shared Custody

Children subject to shared custody may be provided space according to subsidy standards if they will reside in the assisted household at least 51 percent of the year. HABC will review family-provided documentation and will request court documentation if applicable to determine the child's primary residence. See **Parent-Child Relationship, Legal Custody/Guardianship**.

5.3.2 Absent Students

When family member attends school away from home, the person will continue to be considered a family member unless information becomes available to HABC indicating that the student has established a separate household or the family declares that the student has established a separate household.

5.3.3 Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care are considered members of the family. If a child has been placed in foster care, HABC will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member for subsidy standards.

5.3.4 Absence Due to Incarceration

Any member of the household will be considered permanently absent if he/she is incarcerated for thirty (30) consecutive days. HABC will determine if the reason for incarceration is for any criminal activity and take appropriate action.

5.3.5 Absent Adults Due to Military Service

An adult family member absent from the home more than 180 consecutive days due to active military service will continue to be considered a family member provided that their income is included in the calculation of household income and there is an expected date of return that is within a year of their departure.

5.3.6 Individuals Confined for Medical Reasons

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

HABC will request verification from a responsible medical professional. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

Sole household members confined for medical reasons will be considered permanently absent and subject to termination.

5.3.7 Return of Permanently Absent Family Members

The family must request HABC approval for the return of any adult family members that HABC previously determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed in this Administrative Plan.

5.4 EXCEPTIONS TO SUBSIDY STANDARDS

HABC may grant exceptions from the subsidy standards at the family's request, or if HABC determines the exceptions are justified by the relationship, age, sex, health or disability of family members, or other individual circumstances.

HABC may grant an exception upon request as accommodation for persons with disabilities. Circumstances may dictate a larger voucher size than the subsidy standards permit when persons cannot share a bedroom because of a verified medical or health reason.

5.4.1 Request for Exceptions to Subsidy Standards

HABC will only issue a larger voucher due to additions of family members for the following reasons:

- Birth
- Adoption
- Foster care
- Marriage or equivalent relationship
- Court-awarded custody

Requests made to address a disability must be verified by a healthcare professional. If HABC errs in the bedroom size designation, a correction will be made, and the family will be issued a voucher of the appropriate size.

If alerted to potential conflicts, HABC will notify the family of the circumstances under which an exception may be granted for medical reasons.

All requests for exceptions to the subsidy standards must be submitted in writing.

In the case of a request for exception as a reasonable accommodation, HABC will ask the applicant or participant to make the request in writing using a reasonable accommodation request form. However, HABC will consider the exception request any time the applicant or participant indicates that accommodation is needed whether or not a formal written request is submitted. See **REASONABLE ACCOMMODATIONS POLICY**.

Requests for a larger size unit must explain the need or justification for the larger size unit and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source.

HABC will promptly notify the applicant or participant, in writing, of its decision.

5.4.2 Changes for Applicants

For applicants, the voucher size is determined prior to the briefing by comparing the family composition to HABC subsidy standards. If an applicant requires a change in the voucher size, based on the requirements of HABC subsidy standards, the above-referenced guidelines will apply.

5.4.3 Changes for Participants

HABC must approve new members of the family residing in the unit. The family must obtain approval of any additional family member before the new member occupies the unit except for additions by birth,

adoption, or court-awarded custody, in which case the family must inform HABC within thirty (30) calendar days. The above referenced guidelines will apply.

5.4.4 Under-Housed and Over-Housed Families

If a unit does not meet HABC subsidy standards due to an increase in family size (i.e., if the unit is too small, the family is under-housed), HABC will issue a new voucher of the appropriate size and assist the family in locating a suitable unit.

When a change in family composition requires a larger voucher size and no funds are available, the family will be issued the next available voucher when funding becomes available.

If a unit does not meet HABC subsidy standards due to a decrease in family size (i.e., if the unit is too large, the family is over-housed), HABC will notify the family in writing that they are over-housed and may require the participant to move to an appropriate size unit or pay additional costs including increases for utilities and additional rooms.

5.5 UNIT SIZE SELECTED

MTW Policy

The participant must select a unit consistent with and not greater than the dwelling unit size listed on their voucher (e.g., a one-bedroom voucher holder must select a unit with 0-1 bedrooms; a two-bedroom voucher holder must select a unit with not more than 2 bedrooms).

Participants living in units where the unit size exceeds the voucher size may be required to move to an appropriate size unit or pay additional costs, including increases for utilities and additional rooms.

Exceptions to this rule may be granted at the discretion of HABC where the voucher holder can demonstrate that he/she has made a good faith and exhaustive effort to find an available unit of appropriate size and that this effort has not been successful or based on a reasonable accommodation request. HABC may provide such claimants with lists of units of a size consistent with their voucher and the claimant may be required to make further attempts to find and select a unit of appropriate size.

If authorization is given to select a unit larger than the voucher size issued, or if the family selects a unit of a smaller size than the voucher size issued, the criteria as described in the sections below will be considered.

5.5.1 Subsidy Limitation

The family unit size (voucher size) as determined for a family under the HABC subsidy standard is used to determine the maximum rent subsidy for a family assisted in the voucher program. For a voucher tenancy, HABC establishes payment standards by number of bedrooms.

The payment standard for a family shall be the *lesser of*:

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

5.5.2 Utility Allowance

The utility allowance used to calculate the gross rent is based on the *lesser of*:

- The bedroom size of the unit as authorized on the family's voucher; or
- The actual size of the unit in which the family lives.

CHAPTER 6: VOUCHER ISSUANCE AND BRIEFINGS

6.1 INTRODUCTION

This chapter describes the briefing and voucher issuance process. HABC goals and objectives are designed to ensure that families selected to participate in the HCV program are equipped with the tools necessary to locate an acceptable housing unit. Families are provided sufficient knowledge and information regarding the program and how to achieve maximum benefit while complying with program requirements.

When eligibility has been determined, HABC will conduct a mandatory briefing to ensure that families know how the program works. The briefing will provide a broad description of owner and family responsibilities, HABC procedures, and how to lease a unit. The family will also receive a briefing packet that provides more detailed information about the program including the benefits of moving outside areas of poverty and minority concentration.

Other information provided to families may also include descriptions of mobility counseling programs established to implement components of the partial consent decree entered in the Thompson v. HUD case. See Appendix II for more detailed information.

This chapter will also discuss owner outreach efforts involving educating owners on the program and owner responsibilities.

6.2 VOUCHER BRIEFING

HABC will give the family an oral briefing and provide the family with a briefing packet containing written information about the program. Families may be briefed individually or in groups, but they are required to attend.

6.2.1 Notification

HABC will contact families to advise them as to the type of briefing. Notification will identify who is required to participate in the briefing, as well as the date and time of the scheduled briefing. The notice will also inform the family of any additional requirements for briefings as addressed in relevant policy elsewhere in this section. The notice will be sent by first class mail and will also be sent by email if the family has provided a valid email address to HABC. To the extent possible, HABC will also notify applicants by phone.

If the notice is returned by the post office with no forwarding address, the applicant will be withdrawn and their name will not be placed back on the waiting list. If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated.

Applicants who fail to participate in a scheduled briefing will automatically be scheduled for another briefing. HABC will notify the family of the date and time of the second scheduled briefing. Applicants who fail to participate in two scheduled briefings without HABC approval will be withdrawn from the waiting list. If an applicant does not participate in two scheduled briefings because of a family member's disability, HABC will reschedule the family for another briefing as a reasonable accommodation.

6.2.2 Briefing

A full briefing will be conducted for families who are determined to be eligible for assistance. Group voucher briefings will be conducted virtually or in-person. Generally, the head of household is required to participate in the briefing. If the head of household is unable to participate, HABC may approve another adult family member to participate in the briefing.

Families who attend group briefings and still have the need for individual assistance, will be referred to the appropriate program specialist. Individual briefings may be conducted under specific conditions or for certain programs, or as a reasonable accommodation for persons with disabilities upon request and with approval by the Senior Vice President for HCVP or designee.

Voucher briefings will generally be conducted in English. For limited English proficient (LEP) applicants, HABC will provide interpretation services upon request.

The purpose of the voucher briefing is to explain how the program works, and to explain the documents in the voucher holder's packet to families so that they are fully informed about the program. This will enable families to utilize the program to their advantage, and it will prepare them for discussions with potential owners and property managers. If the family includes a person with disabilities, HABC will ensure compliance with 24 CFR § 8.6 to ensure effective communication with applicants, beneficiaries, and members of the public.

HABC will use the voucher briefing to explain the documents included in the voucher briefing packet, and to discuss relevant issues including, but not limited to, the following:

- A general description of the Housing Choice Voucher program.
- Family and owner responsibilities (Example: the family is obligated to maintain utilities and the condition of the unit).
- Where a household may lease a unit, including renting a unit outside HABC's jurisdiction (portability).
- Advantages of moving to a census tract of low poverty concentration.
- Special considerations concerning families that may have special needs.
- Choosing a unit carefully and only after due consideration.
- The Family Self Sufficiency Program and its advantages.
- The benefits and challenges of moving to an opportunity neighborhood.
- Tenant readiness.
- Maintenance of a search log.
- Fair Housing Policies and Discrimination Form.
- VAWA Notice and Information Packet.

6.2.3 Oral Voucher Briefings

HABC may elect to conduct an abbreviated oral briefing any time after adult family members have attended at least one in-person briefing. At a minimum, each oral briefing will include information on the following subjects:

- How the HCV program works;
- Family and owner responsibilities;
- Where the family can lease a unit, including renting a unit inside or outside HABC's jurisdiction;
- An explanation of how portability works;
- An explanation of how portability may affect the family's assistance through screening, subsidy standards, payment standards and any other elements of the portability process which may affect the family's assistance; and
- An explanation of the advantages of living in areas that do not have a high concentration of low-income families.

6.2.4 Voucher Briefing Packet

The documents and information provided in the briefing packet and discussed during the briefing for the voucher program, will comply with all HABC and as applicable, MTW requirements. The family is provided with the following information and materials:

- The term of the voucher, and HABC's policies on any extensions or suspensions of the term, including how to request an extension to the term of the voucher;
- A description of the method used to calculate the housing assistance payment for a household, including how HABC determines the payment standard for a household, and how HABC determines total tenant payment for a household;
- Information on where a family may lease a unit and an explanation of how portability works, including information on how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process that may affect the family's assistance;
- The HUD-required tenancy addendum, which must be included in the lease;
- The form the family must use to request approval of tenancy, and an explanation of how to request approval;
- A statement of HABC policy on providing information about households to prospective owners;
- HABC's subsidy standards including when HABC will consider granting exceptions, and when exceptions are required as a reasonable accommodation for persons with disabilities under Section 504, the Fair Housing Act, or the Americans with Disabilities Act (ADA).
- Information on federal, state and local equal opportunity laws, the contact information for the Section 504 coordinator, a copy of the housing discrimination complaint form, and information on how to request a reasonable accommodation or modification (including information on requesting

exception payment standards as a reasonable accommodation) under Section 504, the Fair Housing Act, or the Americans with Disabilities Act (ADA);

- A list of landlords known to HABC who may be willing to lease a unit to the household or other resources such as newspapers, organization and online search tools, known to HABC that may assist the family in locating a unit. HABC will try to ensure that the list of landlords or other resources covers areas outside of poverty or minority concentration;
- Notice that if the family includes a person with disabilities, HABC will provide a current listing of accessible units known to HABC, and if necessary, other assistance in locating an available unit;
- The family obligations under the program;
- An explanation of the advantages of moving to areas that do not have a high concentration of low-income families, which may include access to accessible and high-quality housing, transit, employment opportunities, educational opportunities, recreational facilities, public safety stations, retail services, and health services;
- HABC's informal hearing procedures, including when HABC is required to offer a household the opportunity for an informal hearing, and how to request the hearing;
- The HUD pamphlet on lead-based paint entitled, *Protect Your Family from Lead in Your Home*;
- Information about the characteristics of these areas including job opportunities, schools, transportation, and other services;
- An explanation of how portability works, including a list of portability contact persons for neighboring PHAs, including names, addresses, and telephone numbers; and
- The grounds on which HABC may terminate assistance for a household because of household action or failure to act.

6.3 ISSUANCE OF VOUCHER

HABC will issue vouchers to applicants who have been deemed eligible and when funding is available. The voucher is the family's authorization to search for housing. It specifies the unit size for which the family qualifies and includes both the date of voucher issuance and date of expiration.

HABC will not issue a voucher to a family unless the head of household or approved representative has attended a briefing and signed the voucher. Applicants who provide prior notice of their inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend two (2) scheduled briefings without prior notification and approval of HABC will be denied admission based on failure to supply information needed for certification.

HABC will conduct individual briefings for families with disabilities at their homes, upon request by the family, if required for reasonable accommodation. HABC may allow a representative of the family (i.e., live-in aide, family member, or case manager) to attend the briefing on behalf of the family, as a reasonable accommodation for a disability that prevents the family from attending, upon approval of written request.

6.3.1 Term of Voucher

During the briefing session, each household will be issued a voucher that represents a contractual agreement between HABC and the family specifying the rights and responsibilities of each party. Receiving

and signing a voucher does not constitute admission to the program. Admission to the program occurs when the lease and Housing Assistance Payment (HAP) contract become effective.

The initial term of a voucher is valid for a total period of one hundred twenty (120) calendar days from the date of issuance.

Note: VASH, EHV, FUP, and Mainstream vouchers will always have an initial term of 120 days (see **SPECIAL PURPOSE VOUCHER PROGRAMS** chapter).

6.3.2 Expirations/Extensions

The initial term of the voucher may be extended for thirty (30) calendar days for the following reasons:

- The voucher holder is a person being displaced due to public action;
- As a reasonable accommodation for a person with a disability; or
- Because of extenuating circumstances, such as hospitalization.

In these cases, a 30-day extension and/or an increase in the maximum voucher life, which is not to exceed one hundred fifty (150) calendar days may be granted at the discretion of, and with the written authorization by, the Senior Vice President or designee. Notwithstanding, pursuant to 24 CFR 982-303(b)(2), if the family needs and requests an extension of the initial voucher term as a reasonable accommodation to make the program accessible to a family member who is a person with disabilities, HABC will extend the voucher term up to the term reasonably required for that purpose.

The family may submit a written request to HABC for reinstatement within thirty (30) calendar days of the final expiration date of the voucher. The family will be notified in writing of the final decision.

If the voucher has expired and has not been extended by HABC or expires after an extension, the family will be denied assistance and notified in writing. The family will not be entitled to a review or hearing where a voucher has expired, and an extension has not been granted.

Voucher Extensions for Mainstream, and FUP Participants

For Mainstream and FUP participants, HABC will accept verbal or written requests for voucher extensions as long as the request is made on or before the expiration date of the voucher. HABC will provide at minimum one 90-day extension and will not restrict approval of the initial extension to certain circumstances or require documentation from applicants. All subsequent requests for extension shall be processed in accordance with HABC's voucher extension policies. This policy shall apply to both initial applicants as well as participants moving with continued assistance.

For applicants, on at least one occasion after voucher issuance, HABC shall notify the applicant to remind them of the expiration date of the voucher and the process for requesting an extension of the initial term, and to inquire if the applicant is in need of assistance with their housing search.

6.3.3 Tolling

The initial voucher term has a life of one hundred twenty (120) calendar days. The term is suspended upon the submission of the RFTA. If the RFTA does not result in an authorized lease up, the voucher term will resume from the date of the RFTA submission.

For example, a voucher holder submits her RFTA on day 35 of the initial 1200-day voucher term. The unit passes rent reasonableness and the required inspection, but 15 days after the RFTA was submitted the owner decides to rent to another person. The voucher becomes active again with 85 days tolling time remaining: 120 days (total life) minus 35 days (day RFTA submitted) = 65 days remaining (tolling time). The time between submission of the RFTA and reactivation of the voucher (15 days) is not counted as part of the term of the voucher.

6.4 OWNER OUTREACH

The following efforts may be undertaken to increase the number of landlords participating in the program and to increase the number of units outside of areas of racial or poverty concentration.

- Attending broker fairs and real estate auctions and meeting with commercial brokers, real estate associations and real estate companies.
- Providing a free rental property listing service. Listings entered are made available to Housing Choice Voucher Program participants. This service is accessible through the *Housing Choice Voucher Program* link on HABC's web page www.HABC.org).
- Conducting cold calls.
- Establishing relationships with real estate companies that will, for a fee, find new landlords in neighborhoods outside of areas of minority and poverty concentrations for HABC families who want to stay in Baltimore City. The identity of landlords in neighborhoods outside of areas of minority and poverty concentrations will be provided to the Special Mobility Counselor.
- Holding open houses for interested landlords to advise them about the Housing Choice Voucher Program. (Open houses may include outside speakers.)
- Providing incentives to attract new landlords into the program.
- Providing incentives to landlords that provide units in neighborhoods in areas outside of poverty and minority concentrations.
- Holding annual landlord update meetings.
- Holding monthly, *New Landlord Briefings*.
- Providing support and assistance to landlords that need help in coordinating with voucher holder tenants.

Other Steps to Increase Landlord Participation

- Using HABC's web page to market the Housing Choice Voucher Program to landlords;
- Holding workshops, special events, etc.
- Airing Public Service Announcements regarding HABC and the HCVP.

6.4.1 Owner Briefing

Scheduled virtual or in-person briefings may be held monthly for both existing landlord outreach and for prospective landlords.

New and prospective owners may receive an invitation via email upon request. Current owners will be notified via email or newsletter. The purpose of the briefing is to ensure successful owner participation in the program. The briefing covers the responsibilities and roles of the three parties: HABC staff, owners, and participating families.

6.4.2 Encouraging Participation in Areas of Low-Poverty/Minority Concentration

HABC has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration. Under this policy, HABC will inform voucher holders of the full range of areas where they may lease units both inside and outside HABC's jurisdiction. HABC will supply a list of landlords or other parties who are willing to lease units or help families find units, including units outside areas of poverty or minority concentrations. HABC will inform voucher holders about the mobility counseling programs.

At the briefing, families are encouraged to search for housing in neighborhoods in areas outside of minority and poverty concentration and HABC will provide assistance to families who wish to do so. In addition, HABC will provide the following tools to assist families in moving to areas outside poverty and minority concentration:

- HABC has areas of poverty and minority concentration clearly delineated in order to provide families with information and encouragement in seeking housing opportunities outside highly concentrated areas.
- HABC has maps that show various areas and information about facilities and services in neighboring areas such as schools, transportation, and supportive and social services.
- HABC will investigate and analyze when voucher holders are experiencing difficulties locating or obtaining housing units outside areas of concentration.
- The assistance provided to such families includes:
    - Providing families with a search record form to gather and record information.
    - Direct contact with landlords and neighborhood groups.
    - Counseling with the family, including formal mobility counseling provided through the Partial Consent Decree.
    - Meeting with fair housing groups or agencies.

6.5 FAMILY SUPPORT

6.5.1 Security Deposit Policy

Security deposits charged to families may be any amount the owner wishes to charge**,** subject to the terms of the lease, HCVP MTW Activities and Initiatives, and applicable state and local law. Security deposits may be no greater than the amount the owner charges non-assisted tenants in similar circumstances. HABC may provide security deposit assistance payments (see **LEASING INCENTIVES** for policies related to security deposit assistance). Outside of security deposit assistance, HABC is not a party to security deposits, payments, or agreements. These arrangements are between the participant and the landlord only. Rental, or tenant rent share, side agreements are a violation of HUD regulations.

6.5.2 Housing Search Assistance to Voucher Holders

Voucher holders will be notified at their briefing session that AffordableHousing.com (formerly GoSection8.com) is periodically updated and how the updated list may be obtained. Families who need additional assistance during their search may call HABC's Leasing and Contracting Office to request assistance.

CHAPTER 7: VERIFICATION

7.1 INTRODUCTION

HABC verifies all information that is used to establish the family's eligibility and level of assistance. Applicants and participants must cooperate with the verification process as a condition of receiving assistance and provide true and complete information to HABC when requested. HABC staff will obtain written verification from independent sources whenever possible and will document participant files whenever third-party verifications are not possible. This chapter explains HABC procedures and standards for verification of identity, criminal history, family status, family composition, full-time student status, disability status, citizenship status, preferences, income, assets, and allowable deductions. HABC will obtain proper authorization from the family before requesting information from independent sources.

7.2 GENERAL VERIFICATION REQUIREMENTS

Any documents used for verification should be the original (not photocopies), and printouts from websites or web pages are considered original documents. All documents will be photocopied and retained in the applicant or tenant file. In cases where documents are viewed but cannot be photocopied, staff viewing the document(s) will notate the family file that documents were viewed and found acceptable.

7.2.1 Age of Verification Documentation

Any documents submitted for verification must be dated within 120 calendar days of the date they are provided to HABC.

7.2.2 Response to Verification Request

Families are required to respond to requests by HABC for verification of family, income and/or expense information. Families have five (5) business days to respond to HABC requests for information. Exceptions may be granted on a case-by-case basis. If at the end of the timeframe set forth in the request, the family has not provided the requested information, HABC will follow policy and procedures described in the **DENIAL OF ASSISTANCE AND INFORMAL REVIEWS** chapter for applicants and the **TERMINATION OF ASSISTANCE AND INFORMAL HEARINGS** chapter for participants.

7.3 FAMILY CONSENT TO RELEASE OF INFORMATION

The family must supply any information that HABC or HUD determines is necessary for the administration of the program and must consent to the verification of that information by HABC.

Families are required to sign HABC release and consent forms as needed to collect information relevant to the family's eligibility and level of assistance. HABC will deny admission to the program or terminate assistance if any adult member of the applicant family fails to sign and submit the consent forms which allow HABC to obtain information that HABC has determined necessary in the administration of the HCV program.

See **Authorization for the Release of Information** and **Other HABC-Required Consent Forms**.

7.4 VERIFICATION HIERARCHY

MTW Policy

HABC uses a streamlined version of the HUD Verification Hierarchy when prioritizing acceptable verification for income, assets, and expenses. Using its MTW flexibility, HABC will use the most reliable form of verification that is available in the following order:

- **Level 1** (highest and mandatory): Upfront Income Verification (UIV) (i.e., HUD's Enterprise Income Verification (EIV) system and Income Verification Tool (IVT)).
- **Level 2** (optional where applicable): Upfront Income Verification (UIV) using non-HUD verification system.
- **Level 3** (mandatory): Supplements EIV and UIV; also used for Non-EIV/UIV reported income sources and disputes of EIV reported information.

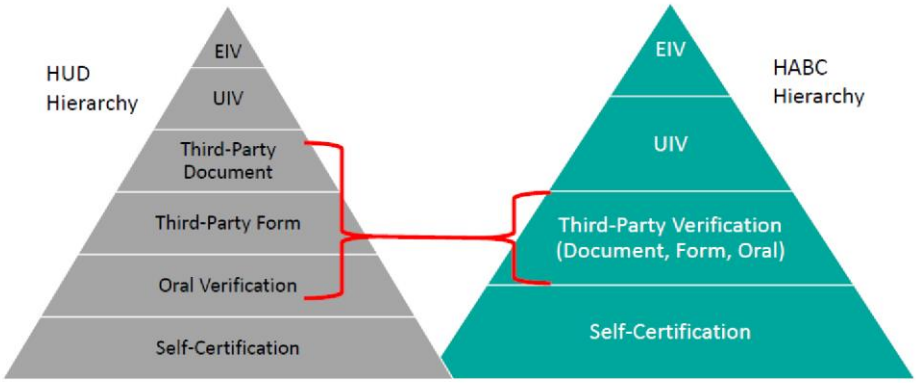
  - Written Third-Party (i.e., paystubs, payroll reports, benefit letters); OR

  - Written Third-Party Verification Form, when third-party documents not available;

    OR

  - Oral Third-Party Verification (i.e., in-person or via telephone call).

- **Level 4 (optional):** Tenant Declaration (i.e., notarized or certified self-declaration). Used to supplement EIV when EIV reported sources do not contain verification, when the applicant/participant cannot produce written third-party verification documents; and may not be used to verify Social Security, public assistance, unemployment, VA pension, court-ordered child support, worker's compensation, or full-time student status.



HABC will use the streamlined HABC Verification Hierarchy for all MTW and Special Purpose vouchers.

Moderate Rehabilitation participants will be subject to the standard HUD Verification Hierarchy (see PIH Notice 2023-27, Attachment J).

7.4.1 Enterprise Income Verification (EIV) System

EIV is considered the highest level of verification technique. HABC will use HUD's EIV system as a third-party source to validate participant employment and verify certain income information during regular and

interim reexaminations of family composition and income. The following policies apply to the use of HUD's EIV system and tools.

New Admission

For each new admission, HABC will review the applicable EIV reports within 120 days from the date the data is submitted to HUD's software to ensure that families, at the time of admission, accurately reported income. HABC will print and retain the reports and will take action to address any income discrepancies within 60 days from running the EIV reports.

Regular Reexamination of Family Income and Composition

For each regular reexamination of family income and composition, HABC will review and retain in the tenant's file the applicable EIV reports and any applicable documentation to resolve identified income discrepancies.

When HABC determines through EIV reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in this Administrative Plan.

At each regular reexamination of income and family composition HABC will:

- Review the required EIV reports to confirm/validate participant-reported income;
- Print and maintain the EIV reports in the participant file; and
- Obtain current acceptable tenant-provided documentation to supplement EIV information (where applicable).

EIV Income Reports

The data shown on EIV Income Reports is updated quarterly. However, data may be between three and six months old at the time reports are generated.

EIV Income Reports will be run within 120 days of the effective date of the regular reexamination and compared to family-provided information as part of the regular reexamination process. EIV Income Reports may be used in the calculation of annual income, as described in **DETERMINING INCOME AND RENT**.

EIV Income Reports will be used as necessary to identify earned income and unemployment benefits, and to verify and calculate Social Security, Dual Entitlement, and/or Supplemental Security Income (SSI) benefits. EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.

Income Validation Tool (IVT)

The IVT report facilitates and enhances identification of unreported or under-reported income during regular reexaminations. The IVT also provides income and wage, unemployment compensation and SSA benefit information. Additionally, the IVT report provides income information for heads of household and family members where there may be discrepancies in family-reported income and employer-reported information.

At each regular reexamination of income and family composition, using the IVT, HABC will:

- Identify any reported discrepancies in family reported income and employer reported information;
- Request the family to provide any documentation to confirm or dispute the income discrepancy;
- As applicable, determine and document the degree of family underreporting or misreporting of income information; and
- Take action in accordance with HABC policy to resolve the identified discrepancies.

EIV Identity Verification

The EIV system verifies participant identities against Social Security Administration (SSA) records. These records are compared to data available to HUD for a match on Social Security number, name, and date of birth. When identity verification for a participant fails, a message will be displayed within the EIV system, and no income information will be displayed.

HABC will generate, review, and retain the report at least monthly.

HABC will identify participants whose identity verification has failed. HABC will attempt to resolve data discrepancies by obtaining appropriate documentation from the participant. When HABC determines that discrepancies exist as a result of errors by HABC, such as spelling errors or incorrect birth dates, HABC will correct the errors promptly.

Deceased Tenants Report

HABC will review the Deceased Tenants Report on a monthly basis, confirm the death of any household member, and timely remove any deceased household member. If the deceased person is a sole-member household, HABC will complete an End of Participation (EOP) action 50058, effective the last day of the month in which the death occurred. The landlord is entitled to receive the full HAP for the month in which the death occurred. See **Death of the Sole Family Member** in the chapter on Termination of Assistance and Informal Hearings.

When the only remaining household member is the live-in aide, the live-in aide is not entitled or eligible for continued occupancy. HABC will not designate the live-in aide as the new head of household or change the relation code on the form HUD-50058.

Other EIV Reports

HABC will review other EIV reports, such as the Multiple Subsidy Report and Failed EIV Pre-Screening and Failed Verification reports as required in Notice PIH 2023-27 or subsequent guidance.

7.4.2 Upfront Income Verification (UIV)

UIV refers to HABC's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits, like the Work Number, and is considered a high-level verification method. UIV will be used to the extent that these systems are available to HABC.

7.4.3 Third-Party Verification

Any of the following verification methods may be used by HABC, in no particular order.

Written Third-Party Document

Written third-party verification is an original or authentic document generated by a third-party source. Such documentation may be in the possession of the participant or the applicant. HABC may, at its discretion, reject any family-provided documents and follow up directly with the source to obtain necessary verification of information.

Examples of acceptable family-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notices or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices. Income tax returns with corresponding official tax forms and schedules attached and including third-party receipt of transmission for income tax return filed (i.e., tax preparer's transmittal receipt, summary of transmittal from online source) are an acceptable form of written, third-party verification.

The following are HABC's general verification requirements when written third-party verification is used:

- Documentation must generally be dated within 120 calendar days of the date received by HABC. For fixed income sources, a statement dated within the appropriate benefit year is acceptable documentation.
- HABC may reject any family-provided documentation if:
    - The document has been altered, mutilated, or is not legible/readable;
    - The document appears to be a forged document (i.e., does not appear to be authentic); and/or
    - The document is missing key information necessary to verify and calculate the income accurately and attribute the income to the correct family member.
- For employment income, HABC will generally obtain two current, consecutive pay stubs needed to calculate prospective income. However, for new income sources or when the required number of pay stubs is not available, HABC may determine income based on the information from a traditional written, third-party verification form or the best available information.

Written Third-Party Verification Form

Written third-party verification forms are used to verify information directly from the source. HABC will send written third-party verification forms to the verification source via email, fax, or mail and will allow five (5) business days for receipt of requested verification. HABC may choose to obtain oral third-party verification without first attempting (and in lieu of) a written-third-party verification form.

Oral Third-Party Verification

As needed, HABC will obtain oral third-party verification, which is independent verification of information obtained by contacting the individual income/expense source(s), as identified through the UIV technique or by the family. HABC staff will document the family's file to record the date and time of the telephone call, the name of the person, organization contact and telephone number, along with the confirmed information.

HABC may choose to obtain oral third-party verification without first attempting (and in lieu of) a written third-party verification form. HABC may skip this level of verification if written third-party verification was attempted and the source did not respond; in such a case, HABC may move directly to self-certification.

7.4.4 Self-Certification

Self-certification, or *tenant declaration*, is used as a last resort when HABC is unable to obtain third-party verification. When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to HABC under the penalty of perjury. HABC will document the file with attempts to obtain higher forms of verification before relying on self-certification.

HABC may require a family to certify that a family member does **not** receive a particular type of income or benefit.

The self-certification must be made in a format acceptable HABC and must be signed by the family member whose information or status is being verified.

Self-certification, however, is an acceptable form of verification when:

- A source of income is fully excluded;
- Net family assets total $50,000 or less (MTW policy),
- The family declares that they do not have any present ownership in any real property; and/or
- A family states that they have non-recurring income that will not be repeated in the coming year.

Self-certification is not acceptable for the following:

- Social Security/SSI benefits;
- Public assistance;
- Disability (unless obvious or otherwise known, for reasonable accommodation purposes only);
- Unemployment;
- Veteran's Administration pension;
- Court-ordered child support;
- Worker's compensation;
- Unreimbursed medical expenses;
- Full-time student status.

In the event that none of the other verification methods are successful, the family will be required to submit a self-certification as a form of income verification through tenant declaration.

7.4.5 When Third-Party Verification Is Not Required

Third-party verification will not be required under the following circumstances:

- **Verification Service Charge.** If there is a service charge for third-party verification, HABC will assume that third-party verification is not available and use the next level of verification according to the verification hierarchy set forth in this chapter.
- **Primary Documents.** Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.
- **Assets Disposed of for Less than Fair Market Value.** HABC will accept a self-certification from the family as verification of assets disposed of for less than fair market value.
- **Value of Assets and Asset Income.** For MTW families, HABC will accept a self-certification for families with market value of assets totaling $50,000 or less, during the intake process and at least every regular reexamination. See MTW Policy on
- VERIFICATION OF ASSETS.
- **Fully Excluded Income.** HABC will accept a self-certification of income that is fully excluded, except in certain circumstances. See **Income from Excluded Sources** in this chapter.

7.5 INCOME DISCREPANCIES

7.5.1 Substantial Difference

If UIV/third-party information differs substantially from family-provided information, HABC reserves the right to request additional verification information and use any other verification method in priority order to reconcile the difference.

> ***MTW Policy***
>
> HABC has established $5,000 as the threshold for a substantial difference between verification sources and for use in reconciling EIV/IVT discrepancies. This means that if there's a difference of $5,000 or more annually between what is shown on EIV/IVT and what the family is reporting, HABC will follow-up to obtain additional information and resolve or clarify any potential discrepancies.
>
> HABC will retain the right to request additional verification information and use any other verification method in priority order to reconcile any substantial differences

7.5.2 Fraud

Information provided by the family that proves to be untrue may be used to disqualify the applicant for admission or terminate the participant's assistance on the basis of attempted fraud. HABC considers false information concerning the following to be grounds for rejecting an applicant or terminating assistance:

- Income, assets, family composition;
- Social Security numbers;
- Preferences;
- Allowances (e.g., medical, disability and/or childcare expenses); and
- Previous participant history or criminal history.

The family shall be notified in writing of such determination by HABC and will be given the opportunity for an applicable hearing. For more information see **Misrepresentation** in the **TERMINATION OF ASSISTANCE AND INFORMAL HEARINGS** chapter.

7.6 VERIFICATION OF LEGAL IDENTITY

HABC will require families to furnish verification of legal identity for each household member.

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
• Certificate of birth, naturalization papers, • Church-issued baptismal certificate • Current, valid driver's license or Department of Motor Vehicles identification card • U.S. military discharge (DD 214) • Current U.S. passport • Current employer identification card	• Certificate of birth • Adoption papers • Custody agreement • Health and Human Services ID • Certified school records

If a document submitted by a family is illegible for any reason or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at the HABC's discretion, HABC may allow the submission of expired documents to verify legal identity.

Legal identity will be verified for all applicants at the time of eligibility determination and in cases where HABC has reason to doubt the identity of a person representing himself or herself to be a participant.

7.7 VERIFICATION OF CRIMINAL HISTORY

HABC will check criminal history for all members of the household who are fourteen (14) years of age or older, to determine whether any such member has engaged in drug-related, violent or other criminal activity. This criminal history check will be performed at initial eligibility determination, when a new member is added, and upon any administrative request or reports of criminal activity.

7.8 VERIFICATION OF SOCIAL SECURITY NUMBERS

The family must provide documentation of a valid Social Security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include existing program participants who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

Note that an individual who previously declared to have eligible immigration status may not change their declaration for the purpose of avoiding compliance with the SSN disclosure and documentation requirements or penalties associated with noncompliance with these requirements. Additionally, the head of household may not opt to remove a household member from the family composition for this purpose.

7.8.1 Documents Used to Verify Social Security Numbers

Social Security numbers must be verified only once during continuously assisted occupancy, unless HABC has received conflicting information concerning a household member's SSN. HABC will verify each disclosed SSN by:

- Obtaining documentation from applicants and participants that is acceptable as evidence of Social Security numbers, and
- Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder.

HABC will accept the following documentation as acceptable evidence of the Social Security number:

- An original SSN card issued by the Social Security Administration (SSA);
- An original SSA-issued document, which contains the name and SSN of the individual;
- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual, along with other identifying information of the individual;
- Such other evidence of the SSN as HUD may prescribe in administrative instructions.

For VASH families with obstacles obtaining any of the options above, HABC will accept the applicant's self-certification and a third-party document with their name printed on it (such as a bank statement, benefit letter, utility bill or cell phone bill) to satisfy the SSN disclosure requirement. However, this is only when HABC has exhausted all other attempts to obtain the required documentation and has documented why other SSN documentation was unavailable. If the tenant's SSN is verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then HABC must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.

HABC may reject documentation of an SSN provided by an applicant or participant if the document is not an original document, if the original document has been altered, mutilated, or is not legible, or if the document appears to be forged.

HABC will retain in the family's file the verification of each SSN provided. The retention of the EIV Summary Report or Income Report showing an individual's status as *verified* is also adequate documentation of an individual's SSN.

7.8.2 Adding a Family Member who is a Child Under Six Who Lack a Social Security Number

When a participant requests to add a new household member who is at least 6 years of age, the participant must provide the complete and accurate SSN assigned to the new member at the time of the reexamination, in addition to the documentation required to verify it. HABC will not add the new household member until such documentation is provided.

See **Timeframe to Submit Documentation of SSN** for more information.

7.9 VERIFICATION OF AGE

If an official record of birth or evidence of Social Security retirement benefits cannot be provided, HABC will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

7.10 VERIFICATION OF FAMILY RELATIONSHIPS

The following verifications will be required when adding a new household member or if the relationship is disputed.

7.10.1 Marriage

Certification by the head of household is normally sufficient verification of marriage. If HABC has reasonable doubts about a marital relationship, HABC will require the family to document the marriage.

7.10.2 Separation or Divorce

HABC may require the family to provide documentation of the divorce or separation with a certified copy of a divorce decree, signed by a court officer; a copy of a court-ordered maintenance or other court record; or other documentation that shows a couple is divorced or separated.

7.10.3 Verification of Guardianship

HABC may require the family to provide court-ordered assignment or verification from a social services agency if there is a dispute over custody or the parent is not listed on the birth certificate.

7.11 VERIFICATION OF FAMILY MEMBER ABSENCE

Permanently absent is defined as any current member of the household who has not resided in the household for 180 calendar days.

If any family member who was formerly a member of the household is reported to be permanently absent by the family, HABC will consider any of the following as verification:

- Husband or wife institutes divorce action.
- Husband or wife institutes legal separation.
- Order of protection/restraining order obtained by one family member against another.
- Proof of another home address, such as utility bills, cancelled checks for rent, driver's license, or lease or rental agreement, if available.
- Statements from other agencies such as social services or a written statement from the landlord or manager that the family member is no longer living at that location.
- If the family member is incarcerated, a document from the Court or correctional facility will be obtained and the household may be subject to termination.
- For foster children and foster adults, third-party verification from the state or local government agency responsible for the placement of the foster child or foster adult with the family is required.

7.12 VERIFICATION OF CHANGE IN FAMILY COMPOSITION

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

7.13 STUDENT STATUS VERIFICATION

HABC requires families to provide information about the status of all students who are 18 years of age or older. This information will be verified only if:

- The family claims full-time student status for an adult other than the head, spouse, or co-head;
- The family claims a childcare deduction to enable a family member to further his or her education; or
- The family includes a student enrolled in an *institution of higher education.* See **STUDENT ELIGIBILITY**.

7.13.1 Verification of Restrictions on Assistance to Students

This section applies only to students who are seeking assistance on their own, separately from their parents. It does not apply to students residing with parents who are seeking or receiving HCV assistance.

> ***MTW Policy***
>
> Applicants and participants eligible for the Student Housing Initiative (SHI) program are not subject to the below listed housing restrictions. See also **Student Housing Initiative (SHI)**.

In accordance with the verification hierarchy, HABC will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

- The student is enrolled at an educational institution that does not meet the definition of institution of higher education in the Higher Education Act of 1965;
- The student is at least 24 years old;
- The student is a veteran;
- The student is married;
- The student has at least one dependent child; or
- The student is a person with disabilities and was receiving assistance prior to November 30, 2005.

If HABC cannot verify at least one of these exemption criteria, HABC will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. In addition to verifying the student's income eligibility, HABC will verify either the student's parents' income eligibility or the student's independence from his/her parents.

7.13.2 Verifying Student Independence and Parental Income of Students Subject to Eligibility Restrictions

HABC is required to determine the income eligibility of a student's parents. HABC will request an income declaration and certification of income from the appropriate parent(s). HABC will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. Certification is also required if the parent is providing no support to the student. Financial assistance that is provided by persons not living in the unit is part of annual income (except if the student meets the Department of Education's definition of *independent student*).

The parents will be required to submit the information directly to HABC. HABC reserves the right to request and review supporting documentation at any time if it questions the declaration or certification.

Supporting documentation may include, but is not limited to, Internal Revenue Service tax returns, consecutive and original pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

7.13.3 Verification of Student Financial Assistance and Fees

HABC will request written third-party verification of both the source and the amount of student financial assistance. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, unless the student's only source of assistance is assistance under Title IV of the Higher Education Act of 1965, HABC will request written verification of the cost of the student's tuition, books, supplies, room and board, and other required fees and charges to the student from the educational institution.

If HABC is unable to obtain third-party written verification of the requested information, HABC will pursue other forms of verification following the verification hierarchy.

7.14 VERIFICATION OF DISABILITY

HABC will verify the existence of a disability in order to determine waiting list preferences (as applicable), eligibility for certain voucher types, and in order to allow certain income disallowances and deductions from income.

For family members claiming disability who receive disability benefits from the SSA, HABC will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system. If documentation from HUD's EIV System is not available, HABC will request a current (dated within the current benefit year) SSA benefit verification letter from each family member claiming disability status.

For family members claiming disability who do not receive disability benefits from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition of disability.

7.15 VERIFICATION OF U.S. CITIZENSHIP AND OF ELIGIBLE IMMIGRATION STATUS

HUD requires a declaration for each family member who claims to be a U.S. citizen or U.S. national, or to have eligible immigration status. The declaration must be signed personally by all family members 18 or older and by a parent/guardian for minors.

Family members who claim U.S. citizenship or U.S. national status will not be required to provide additional documentation unless HABC receives information indicating that an individual's declaration may not be accurate.

Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and if applicable (see below) provide their original immigration documents which are copied front and back and returned to the family. Except for eligible immigrants age 62 and older, HABC verifies the

status through the USCIS SAVE system. If this primary verification fails to verify status, HABC must request within ten (10) business days that the USCIS conduct a manual search.

The documentation required for eligible non-citizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance.

For family members aged 62 or older who claim to be eligible immigrants, proof of age is required; however, no further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, HABC will verify immigration status with the U.S. Citizenship and Immigration Services (USCIS). HABC will follow all USCIS protocols for verification of eligible immigration status.

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 and the subsidy provided will be prorated. If the entire family fails to sign consent forms or provide requested information, the family may be denied or terminated for failure to provide required information.

7.15.1 Timing of Verification

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination. HABC will not provide assistance to any family prior to the affirmative establishment and verification of the eligibility of the individual or at least one member of the family.

7.15.2 Extensions of Time to Provide Documents

HABC will grant an extension not to exceed thirty (30) calendar days for families to submit evidence of eligible immigrant status.

7.15.3 Acceptable Documents of Eligible Immigration

A birth certificate is not acceptable verification of immigration status. Acceptable documents may include:

- Permanent Resident Card (I-551),
- Memorandum of Creation of Record of Lawful Permanent Residence (I-181) with approval stamp;
- Permit to Re-enter the United States (I-327),
- Refugee Travel Document (I-571),
- Arrival-Departure Record (I-94),
- Employment Authorization Document (I-766).

All documents in connection with U.S. citizenship/eligible immigrant status must be a part of the applicant/participant permanent file.

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

7.16 VERIFICATION OF WAITING LIST PREFERENCES

Families admitted to the housing choice voucher program claiming Preference #1 as defined in **Local Preferences**, are referred to HABC by partner agencies/offices that provide the written documentation required to verify the preference. HABC is required to verify the accuracy of any other preference using the Verification Hierarchy described in this chapter.

To verify that an applicant qualifies as a resident, HABC will require one or more of the following items:

- An executed lease and rent receipts,
- Government agency records,
- Utility statement in the name of the head of household or spouse,
- Current driver's license or voter's registration card.

7.17 VERIFICATION OF INCOME

Any income reported by the family must be verified and HABC will verify income using applicable agency policies and procedures described in this chapter.

When verifying and calculating annual income for a household at initial eligibility, regular reexaminations, and for interim reexaminations where the family is reporting a change in income, HABC will collect and verify verification of current/anticipated income.

7.17.1 Employment Income

For verification of wages using paystubs (written third party verification), HABC requires four (4) paystubs for weekly pay, two (2) paystubs for bi-weekly or bi-monthly pay, and two (2) paystubs for monthly pay. The pay stubs must be consecutive.

If a household member provides more than the minimum required pay stubs for verification, HABC will use only the minimum number of paystubs required and will ensure that the pay stubs used reflect the most current, consecutive paystubs provided.

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard may be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

HABC will include compensation received from family members who work as independent contractors, day laborers, and seasonal workers.

Earned Income of Full-Time Students

> ***MTW Policy***
>
> HABC will not verify adult full-time students' earned income (for adult full-time students other than the head, co-head, or spouse) as 100% of the earned income is excluded; however, HABC will verify their full-time student status.

7.17.2 Business and Self-Employment Income

Business owners and self-employed persons will be required to provide income tax returns for the most recent year with corresponding official tax forms and schedules attached. If depreciation was used on the

tax return or financial statement, the self-employed person must provide the table used to calculate the depreciation expense (only straight-line depreciation may be deducted from self-employment income). For those in *gig employment* situations, HABC may opt to accept monthly or weekly statements from the applicable app in lieu of the person's Schedule C and form IRS 1099 or 1099k.

HABC may provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify its accuracy at all future reexaminations. At any reexamination, HABC may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

Childcare Business

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

7.17.3 Verification of Social Security and SSI Benefits

Applicants

To verify the Social Security and Supplementary Security Income (SSI) benefits of applicants, HABC will request a current Social Security Administration (SSA) benefit verification letter from each family member that receives Social Security benefits. If the family is unable to provide the document(s), HABC will help the applicant request a benefit verification letter from SSA's website at www.ssa.gov or ask the family to request one from the SSA.

Participants

To verify the SS/SSI benefits of participants, HABC will obtain information through the HUD EIV System. If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, HABC will request a current SSA benefit verification letter from each family member that receives SSA benefits. If the family is unable to provide the document(s) HABC will help the participant request a benefit verification letter from SSA's website at www.ssa.gov or ask the family to request one from the SSA.

7.17.4 Unemployment Compensation

HABC will accept a benefit letter provided by the family, benefit information printed directly from a family member's online Unemployment Compensation portal, or a completed written third-party verification form. Self-certification for starting or stopping unemployment compensation is not accepted.

7.17.5 Child Support and/or Alimony Payments

If the family declares that it receives court-ordered child support and/or alimony payments, whether regular or irregular, HABC will require third-party verification from the enforcement agency or support provider.

HABC will use the pay history of the prior six (6) full months, if available, to annualize the actual received amount. If the family has not received a payment in the last 90 days, HABC will consider the income non-recurring.

7.17.6 Recurring Income

Income that is recurring and will be repeated beyond the coming year, based on information provided by the family, will be included in annual income. Recurring income may be received in regular or irregular frequencies and the received amount may vary. Recurring income or support is defined as monetary and/or non-monetary gifts given to a family member. HABC will verify recurring income using the highest level of verification available.

7.17.7 Non-Recurring Income

Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income and is excluded from annual income. HABC may accept a self-certification from the family stating that the income will not be repeated in the coming year. However, HABC may choose, on a case-by-case basis, to require third-party verification that income sources will not be repeated in the coming year.

7.17.8 Income from Retirement Accounts

HABC will accept a document from the entity holding a retirement account dated no earlier than 12 months prior that reflects any distributions of the account balance, any lump sums taken, and any regular payments.

7.17.9 Income from Excluded Sources

For **fully excluded income**, HABC is **not** required to follow the verification hierarchy, document why third-party verification is not available, or report the income on the 50058. *Fully excluded income* is income that is entirely excluded from the annual income determination (for example, food stamps, earned income of a minor, or foster care funds). HABC will accept the family's self-certification as verification of fully excluded income. HABC may require verification where there is a doubt that a source of income qualifies for full exclusion.

7.17.10 Zero Income – Household

With the exception of VASH households (see **Income for VASH Families**), families claiming no annual income will be required to execute verification forms to determine that certain forms of income outside the realm of EIV are not being received by the household. Receipt of Supplemental Nutrition Assistance Program (SNAP)/food stamp benefits are not considered income for the purposes of zero income verification; families receiving SNAP with no other income will be required to verify zero income status annually, although HABC may reverify more frequently if needed.

Any payments paid on behalf of the family and other cash or non-cash contributions provided on a recurring basis from sources outside the family may be counted as income depending on the duration and circumstances.

See **Interims Prompted by Zero Income Household Status** Error! Reference source not found.for zero income policy on reexamination frequency requirements for zero income households.

Zero Income Verification Requirements

HABC will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, Social Security, SSI, and earnings are not being received by families claiming to have zero annual income.

7.17.11 Student Financial Assistance

HABC will request written third-party verification of both the source and the amount of student financial assistance. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, unless the student's only source of assistance is assistance under Title IV of the HEA, HABC will request written verification of the cost of the student's tuition, books, supplies, room and board, and other required fees and charges to the student from the educational institution.

See **Verification of Student Financial Assistance and Fees** in the section under Student Status Verification.

7.18 VERIFICATION OF ASSETS

> ***MTW Policy*** For net family assets under $50,000: HABC will accept self-certification from the family that the market/face value of the assets are under $50,000, and no further documentation is required to be collected. For net family assets with a market/face value of $50,000 or greater: Verification of assets is required. HABC will apply regulatory verification requirements and will obtain a minimum of one statement that reflects the current balance of banking/financial accounts.

Mod Rehab households: households may self-certify that it has total net assets equal to or less than $5,000 without needing to provide additional verification. For total net assets in excess of $5,000, HABC will request verification and documentation of all assets.

7.18.1 Assets Disposed of for Less than Fair Market Value

For assets disposed of at less than fair market value in the two years preceding the effective date of admission or the certification, HABC will accept a self-certification from the household including a certification regarding the assets disposed, the date of disposition and the amount received for the asset.

7.18.2 Savings Account Interest Income and Dividends

Acceptable methods of verification include, in this order:

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

7.18.3 Retirement Accounts

HABC will accept written third-party documents supplied by the family as evidence of the status of retirement accounts.

The type of original document that will be accepted depends upon the family member's retirement status.

Before retirement, HABC will accept an original document from the entity holding the account dated within the appropriate benefit year.

Upon retirement, HABC will accept an original document dated within the appropriate benefit year from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

After retirement, HABC will accept an original document from the entity holding the account dated within the appropriate benefit year that reflects any distributions of the account balance, any lump sums taken and any regular payments.

7.18.4 Net Income from Rental Property

If the family reports income from rental property, the family must provide:

- A current executed lease for the property that shows the rental amount or certification from the current tenant; and
- A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If Schedule E was not prepared, HABC will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

7.19 VERIFYING MANDATORY DEDUCTIONS

Policies in this section cover verification of mandatory deductions. See **ADJUSTED INCOME** in the **DETERMINING INCOME AND RENT** chapter for more information on deductions for the purposes of calculating income and rent.

7.19.1 Dependent and Elderly/Disabled Household Deductions

HABC will verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

7.19.2 Health and Medical Care Expenses

MTW Policy

HABC calculates health and medical care expenses for eligible participants using past paid, unreimbursed expenses in addition to prospective medical insurance premiums. Over the counter medications will not qualify for a deduction unless accompanied by a prescription and paid receipts.

Unreimbursed health and medical care expenses for elderly/disabled families will be verified through written third-party documents provided by the family, such as pharmacy printouts or receipts. HABC will make the best effort to determine what expenses from the past are likely to continue to occur in the future. HABC will only accept verification of monthly payments or total payments made for medical expenses during the prior 12 months.

In addition, HABC will verify that:

- The household is eligible for the deduction;
- The costs to be deducted are qualified medical expenses;
- The expenses are not paid for or reimbursed by any other source; and
- Costs incurred in past years are counted only once.

Expense claims will always be verified, by using 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 made on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.
- Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
- Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 months. A computer printout will be accepted, as will verification from EIV.
- Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.
- Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.

  Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. HABC may use this approach for *general medical expenses* such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, nonrecurring expenses from the previous year.

Families who claim medical expenses may be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source.

HABC will use mileage at the IRS, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

7.19.3 Disability Assistance Expenses

HABC will verify that the family is eligible to deduct unreimbursed disability assistance expenses. HABC will allow a family to deduct unreimbursed disability assistance expenses after verifying that:

- The family member for whom the expense is incurred is a person with disabilities;
- The expense permits an adult family member, or members, to work;

- The expense is not reimbursed from another source.

Attendant Care

HABC will require a reliable healthcare provider or 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.

Expenses for attendant care will be verified through:

- Written third-party documents provided by the family, such as receipts or cancelled checks;
- Third-party verification form signed by the provider, if family-provided documents are not available; or
- If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.

Auxiliary Apparatus

Expenses for auxiliary apparatus will be verified through:

- Written third-party documents provided by the family, such as billing statements for the purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months;
- Third-party verification form signed by the provider, if family-provided documents are not available; or
- If third-party verification is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.

7.19.4 Childcare Expenses

In order to determine whether a household is eligible to deduct unreimbursed childcare expenses, HABC will verify that:

- The child is under 13 years of age;
- The costs claimed are not reimbursed;
- The costs enable a family member to pursue an eligible activity;
- The costs are for an allowable type of childcare; and
- The costs are reasonable.

Eligible Child

To be eligible for the childcare deduction, the costs must be incurred for the care of a child under the age of 13. Families are unable to receive the childcare deduction for foster children.

Unreimbursed Expense

The family (and/or the care provider) will be required to certify that the childcare expenses are not paid by or reimbursed to the family from any source.

Pursuing an Eligible Activity

HABC will verify that the deduction of the unreimbursed childcare expenses enable a family member(s) to seek work, pursue education, or be gainfully employed.

HABC will evaluate how the schedule for the claimed activity relates to the hours of care provided and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Allowable Type of Childcare

HABC will verify that the type of childcare selected by the family is allowable. (see **Eligible and Ineligible Childcare Expenses** in the chapter on **Determining Income and Rent**).

HABC will verify that the fees paid to the childcare provider cover only childcare costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

HABC will verify that the childcare provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

Reasonableness of Expenses

Only reasonable childcare costs can be deducted. The actual costs the family incurs will be evaluated by HABC for reasonableness to ensure that the costs are allowable. The amount deducted for childcare will be considered reasonable according to the average weekly costs determined by the market survey from the Maryland Child-Care Resource Network (MCRN).

If the family presents a justification for costs that exceed typical costs in the area, HABC will request additional documentation, as required, to support a determination that the higher cost is appropriate.

7.19.5 Live-In Aide

Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near elderly, or disabled family member.

In addition, the family will be required to submit a certification stating that the live-in aide is:

1. Determined to be essential to the care and well-being of the person(s) needing the care,
2. Not obligated for the support of the person(s) needing the care, and
3. Would not be living in the unit except to provide the necessary supportive services.

CHAPTER 8: DETERMINING INCOME AND RENT

8.1 INTRODUCTION

HABC will use the methods as set forth in this chapter to verify and determine that family income at admission and regular reexamination are correct. The accurate calculation of annual income and adjusted income will ensure that families pay the appropriate amount as set forth in HABC's Administrative Plan and HUD regulations.

Once annual income has been established, HABC will subtract from annual income deductions for which a family qualifies in order to determine adjusted income and calculate total tenant payment (TTP). Then, HABC will consider the utility allowance, approved rent, payment standard, and all other relevant factors for determining HABC subsidy and required family payment.

8.2 INCOME AND ALLOWANCES

Income includes all monetary and non-monetary amounts that are received on behalf of the family. All income that is not specifically excluded in HABC's Administrative Plan is counted and will be used to determine the TTP.

8.2.1 Annual Income

Annual income includes:

- All amounts, not specifically excluded in the section of the Plan on **Annual Income Exclusions**, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age;
- All amounts received by the head of household, co-head, or spouse, including the income of a day laborer, independent contractor, and seasonal worker are included in annual income regardless of age, unless otherwise excluded; and
- Certain income from assets:
    - MTW and Special Purpose Voucher households (i.e., VASH, Mainstream, FUP, EHV):

MTW Policy:

- HABC excludes all income from assets when the market/face value of the assets are less than $50,000.
- If the family has assets with a market/face value that is greater than $50,000: annual income shall include the face value of the asset times the passbook savings rate. See **DETERMINING INCOME FROM ASSETS.**

    - For Mod Rehab households, until the asset provisions under HOTMA have been fully implemented, the following policies apply:
        - When net family assets are $5,000 or less, HABC will include in annual income the actual income anticipated to be derived from the assets.

- When the family has net family assets are in excess of $5,000, HABC will include in annual income the greater of:
    - The actual income derived from the assets, or
    - The imputed income.

Imputed income from assets is calculated by multiplying the total cash value of all family assets by an average passbook savings rate as determined by HUD.

Annual income includes *all amounts received*, not the amount that a family may be legally entitled to receive but did not. For example, a family's child-support or alimony income must be based on payments received, not the amounts the family is entitled to receive based on any court or agency order. A copy of a court order or other written payment agreement alone may not be sufficient verification of amounts received by a family. However, when a family member's wages or benefits are garnished, levied, or withheld to pay restitution, child support, tax debt, student loan debt, or other applicable debts, HABC use the gross amount of the income, prior to the reduction, to determine a family's annual income.

Annual income includes income from all family members, even if the family member is temporarily absent from the unit (see **TEMPORARILY AND PERMANENTLY ABSENT MEMBERS**), unless specifically excluded as described below.

8.2.2 Excluded Income

Income received by all family members must be included unless specifically excluded by HUD regulations or approved MTW policy. The head of household is responsible to report changes in family composition and income in accordance with polices listed in this Plan. Some requirements concerning excluded income depend on the household member type, as described below.

Household Member Type	Income Excluded
Head, spouse, co-head and adult family members	All sources of income specifically excluded by the regulations
Minor family members	Earned income of children under the age of 18
Live-in aides	Income from all sources (earned and unearned)
Foster child/foster adult	Income from all sources (earned and unearned)
Full-time students 18 years of age or older (who are not the head, co-head, or spouse)	MTW Policy: All earned income

Incomes from family members permanently absent are not counted for purposes of family size or income determination. When HABC is notified of a permanent absence, after unit lease, the event may result in an income redetermination and subsidy standard modification. See **TEMPORARILY AND PERMANENTLY ABSENT MEMBERS**.

8.2.3 Annual Income Exclusions

MTW Policy

Using MTW flexibility, HABC excludes the following from the calculation of annual income and TTP:

- 100 percent of the income earned from adult, full-time dependent students;
- Temporary income received from HABC-reviewed and -approved guaranteed income programs which is paid to support financial stability and economic equality; and
- All adoption assistance payments.

In addition to income excluded under HABC's MTW Policy (as noted above), annual income excludes the following:

1. Certain income from assets: see policies on asset income above for MTW households and for Mod Rehab households.
2. The following types of trust distributions:
    a) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under § 5.603(b):
        i. Distributions of the principal or corpus of the trust; and
        ii. Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.
    b) For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.
3. Earned income of children (including foster children) under the age of 18 years;
4. Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments;
5. Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.
6. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
7. Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled;
8. Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively;
9. Any assistance that section 479B of the Higher Education Act of 1965, as amended, requires to be excluded from a family's income including Bureau of Indian Affairs/Education student assistance programs;
    a) If the amount of this excluded assistance equals or exceeds the amount of actual covered costs described under item 10 below, none of the assistance described below is excluded as income.
    b) If the amount of this excluded assistance is less than the amount of actual covered costs described under item 10 below, staff will exclude the lower of:

i. The total amount of student financial assistance received under item 10, or

ii. The amount by which the actual covered costs (as described below) exceed the assistance excluded under item 9.

10. Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit, and expressly for a student who is not the head of household or spouse.

    a) *Student financial assistance* means a grant or scholarship received from:

        i. The federal government;

        ii. A state, tribal, or local government;

        iii. A private foundation registered as a nonprofit;

        iv. A business entity; or

        v. An institution of higher education.

    b) *Student financial assistance* does not include:

        i. Any assistance that section 479B of the Higher Education Act of 1965, as amended, requires to be excluded from a family's income (as noted above);

        ii. Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded);

        iii. Gifts, including gifts from family or friends; or

        iv. Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded, exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

    c) Student financial assistance must be:

        i. Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution;

        ii. Expressly to assist a student with the costs of higher education; or

iii. Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

d) Student financial assistance may be paid directly to the student or to the educational institution on the student's behalf.

e) The student financial assistance exclusion applies to both part-time and full-time students.

11. Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, *baby bond* accounts created, authorized, or funded by Federal, State, or local government.

12. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

13. Certain amounts received that are related to participation in the following programs:

    a) Amounts received under HUD-funded training programs (i.e., Step-up program: excludes stipends, wages, transportation payments, childcare vouchers for the duration of the training);

    b) Amounts received by a person with disabilities that are disregarded for a limited time for purposes of Supplemental Security Income and benefits that are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

    c) Amounts received by a client in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) to allow participation in a specific program;

    d) Amounts received under a client services stipend (not to exceed $200/month). A client service stipend is a modest amount received by a resident for performing a service for HABC or the owner, on a part-time basis, that enhances the quality of life in the development. Such services may include but are not limited to, fire patrol, hall monitoring, lawn maintenance, and client initiatives coordination; or

    e) Incremental earnings and/or benefits to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with the local government), and training of family members as client management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.

14. Reparation payments paid by foreign governments pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

15. Earned income of dependent full-time students, other than the head, co-head or spouse (see MTW policy on full time student income exclusion);

16. Adoption assistance payments (see MTW policy on adoption assistance payments exclusion)**;**

17. Deferred periodic payments of Supplemental Security Income and Social Security benefits that are received in a lump sum payment or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts;

18. Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.

19. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling apartment;

20. Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit;

21. Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car);

22. Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law;

23. Amounts specifically excluded by any other federal Statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. A notice will be published by HUD in the Federal Register identifying the benefits that qualify for this exclusion. The most recent list of exclusions was published in the *Federal Register* on January 31, 2024. For a full list of exclusions see Federally Mandated Exclusions.

24. Replacement housing gap payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing *gap* payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing gap payments;

25. Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:

    a) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.

b) Direct Federal or State payments intended for economic stimulus or recovery.

c) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.

d) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.

e) Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).

f) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.

g) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

26. Civil rights settlements or judgments, including settlements or judgments for back pay;

27. Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family;

28. Income earned on amounts placed in a family's Family Self Sufficiency Account;

29. Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:

    a) Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; and

    b) Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

8.3 INCOME CALCULATION

MTW Policy

HABC will calculate annual income by adding the income the family expects to receive during the 12-month period following the family's admission or regular reexamination effective date. Accordingly, annual income is calculated by projecting current income forward for a 12-month period.

This method of income calculation will be used for new admissions, regular and interim reexaminations. Exceptions to this policy include but are not limited to families with Seasonal Income. For families with seasonal income, retrospective income will be used.

On the third occasion of a family reporting a reduction in income within three (3) months of a scheduled reexamination, HABC will use retrospective income to calculate annual

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

If there are bonuses or overtime, which the employer cannot anticipate for the next twelve (12) months, bonuses and overtime received the previous year will be used.

8.3.1 Averaging Income

When annual income cannot be anticipated for a full twelve (12) months (i.e. seasonal income), HABC will average known sources of income that vary to compute an annual income. If there are bonuses or overtime that the employer cannot anticipate for the next twelve months, bonuses and overtime received the previous year will be used.

See **Seasonal and Day Laborer Income**.

8.3.2 Minimum Income

There is no minimum income requirement. Families who report zero income are required to undergo a re-examination once every twelve (12) months, and will be required to provide information regarding their means of basic subsistence, such as food, utilities, transportation, etc.

8.3.3 Rounding of Income and Deductions

Generally HABC will round to the nearest whole dollar at the annual calculation for each income/deduction source.

HABC will round as follows for the following income and deductions:

- **Social Security (SS) income**: When the SS benefit letter states that the monthly benefit is rounded down to the whole dollar, HABC will calculate annual income by using the full monthly (not rounded down) benefit before any deductions and round at the final annual calculation. The benefit letter is only to be used when EIV is not available or the tenant disputes EIV.
- **Supplemental Security Income (SSI)**: The benefit for SSI should be calculated by annualizing the total monthly portion. The resulting annual total should be rounded to the nearest whole dollar.
- **Applying the Cost of Living Adjustment (COLA) to SS and SSI**: When the EIV report does not yet contain the benefit for the upcoming year and where HABC is required to apply the COLA for the upcoming year, HABC will apply the COLA to the currently monthly benefit and will use the full monthly benefit to calculate income.

  For example, if the current SS benefit is $560/month and the COLA is 1.7%, HABC would increase the monthly benefit of $560/month benefit by 1.7% to $569.52 and would then multiply $569.52 times 12 to get the annual income. The rounding would occur at the annual calculation of $6,834.

8.3.4 Earned Income Disregard (EID) for Persons with Disabilities

HUD discontinued the Earned Income Disregard (EID) and as a result, no new individuals may qualify for, or continue to receive the benefits of, the EID after December 31, 2025. EID expired as of January 1, 2026.

8.4 DETERMINING CERTAIN TYPES OF INCOME

8.4.1 Wages and Related Compensation

The earned income of each member of the family who is 18 years of age or older and is not a full-time student, or who is the head of household or spouse/cohead regardless of age, is included in annual income. Income received as a day laborer or seasonal worker is also included in annual income, even if the source, date, or amount of the income varies.

Earned income means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, Social Security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.

Seasonal and Day Laborer Income

A *day laborer* is defined as an individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.

A *seasonal worker* is defined as an individual who is hired into a short-term position (e.g., for which the customary employment period for the position is six months or fewer) and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry.

To determine annual income for individuals who have seasonal or day labor income at admission and regular recertification, HABC will use past actual income received or earned within the last twelve (12) months of the determination date. Therefore, interim reexaminations will not be completed when circumstances change for family members with a pattern of seasonal income that is expected to continue.

Earned income from verified full-time students who are not the head, co-head or spouse is excluded.

Earned income from minors, live-in aides, foster children, and foster adults is excluded from income.

> ***MTW Policy***
>
> Alternative Seasonal Income Calculation Method: HABC will use the past four quarters of income as reported in HUD's Enterprise Income Verification's (EIV) Income Report, tax returns or other applicable third-party methods of verification. Income may also include off-season employment and/or unemployment.
>
> If there are any changes in the sources used to determine the annualized income, the participant is required to report those changes to HABC within thirty (30) calendar days. Once verified, the income will be recalculated for a full twelve (12) months and adjusted accordingly.

8.4.2 Self-Employment Income

Annual income includes net income from the operation of a business or profession.

- Net income is gross income minus business expenses that allows the business to operate.

- Gross income is all income amounts received into the business, prior to the deduction of business expenses.

Net income does not include:

- Expenditures for business expansion;
    - *Business expansion* is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations;
- Amortization of capital indebtedness;
    - *Capital indebtedness* is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means HABC will allow as a business expense interest, but not principal, paid on capital indebtedness; or
- Depreciation of assets on an accelerated basis (depreciation of assets based on straight line depreciation is allowable).

However, any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family. Acceptable investments in a business include cash loans and contribution of assets or equipment. Investments do not include the value of labor contributed to the business without compensation.

If a family reports gross income from a business or self-employment income and does not claim and/or verify any expenses, the gross income will be considered the net income.

Negative Business Income

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

Co-Owned Businesses

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

Assets Owned by a Business Entity

If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business' assets. However, if the family holds the assets in their own name (e.g., they own one-third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant).

Independent Contractors

Income received as an independent contractor is included in annual income as self-employment income, even if the source, date, or amount of the income varies.

8.4.3 Regular Contributions and Gifts

Regular contributions and gifts received from persons outside the household are counted as income for calculation of the TTP; however, non-monetary in-kind donations such as food, clothing or toiletries received from a food bank or similar organization are excluded.

Any contribution or gift received in any two (2) months or more frequently will be considered a *regular* contribution or gift (except as stated above). This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts.

8.4.4 Alimony and Child Support

Regular alimony and child support payments are counted as income for calculation of Total Tenant Payment. Court-ordered support is legally binding and enforced through the local child support enforcement agency. Voluntary child support is typically an agreement between parents that may or may not be in writing.

HABC will include as annual income only those child support and/or alimony payments that are actually received by the family. If no payments have been made in the last 90 days, HABC will not include child support and/or alimony in annual income. Otherwise, the child support amount will include averaged and annualized payments (including lump sum payments) received over the last six full months, unless the family can verify that they expect to receive a different amount going forward.

8.4.5 Public Assistance

Public assistance (or welfare)—including Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments—is included as annual income.

HABC will not reduce the rental contribution for families whose welfare assistance is reduced specifically because of:

- Fraud by a family member in connection with the welfare program.
- Failure to participate in an economic self-sufficiency program.
- Noncompliance with a work activities requirement.

However, HABC will reduce the rental contribution if the welfare assistance reduction is a result of:

- The expiration of a lifetime time limit on receiving benefits.
- A situation where a family member has not complied with other welfare agency requirements.
- A situation where a family member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment, such as the family member has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits.

Imputed welfare income is the amount of annual income not actually received by a family as a result of a specified welfare benefit reduction that is included in the family's income for rental contribution. Imputed

welfare income is not included in annual income if the family was not an assisted resident at the time of sanction. The amount of imputed welfare income is offset by the amount of additional income a family receives that begins after the sanction was imposed. When additional income is at least equal to the imputed welfare income, the imputed welfare income is reduced to zero.

Verification before Denying a Request to Reduce Rent

HABC will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance with economic self-sufficiency or work activities requirements *before* denying the family's request for rent reduction.

HABC will obtain from the welfare agency the:

- Amount and term of specified welfare benefit reduction for the family.
- Reason for the reduction.
- Subsequent changes in term or amount of reduction.

8.4.6 Lump Sum Receipts

Lump-sum additions to family assets (i.e., inheritances, insurance payments inclusive of payments under health and accident insurance, and worker's compensation), capital gains, and settlement for personal or property losses) are not included in income but may be included in assets.

Most lump-sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic Social Security or Supplemental Security Income (SSI) payments are not counted as income. Additionally, any deferred disability benefits that are received in a lump-sum or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income.

Attorney Fees

The family's attorney fees may be deducted from lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum compensation, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney's fees.

8.4.7 Retirement Income

Income received from any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals is not considered actual income from assets. However, any distribution of periodic payments from such accounts is included in annual income at the time they are received by the family.

An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value. Contributions to company retirement/pension funds are handled as follows:

While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment.

After retirement or termination of employment, count any amount the employee elects to receive as a lump sum.

8.4.8 Social Security and SSI

HABC is required to use the gross benefit amount to calculate annual income from Social Security benefits, including Supplemental Security Income (SSI).

Annually in October, the Social Security Administration (SSA) announces the cost-of-living adjustment (COLA) by which federal Social Security and SSI benefits are adjusted to reflect the increase, if any, in the cost of living. Effective the day after the SSA has announced the COLA, HABC is required to factor in the COLA when determining Social Security and SSI annual income for regular and interim recertifications of family income that have not yet been completed and will be effective January 1 or later of the upcoming year. The federal COLA does not apply to state-paid disability benefits.

When a family member's benefits are garnished, levied, or withheld to pay restitution, child support, tax debt, student loan debt, or other debts, HABC must use the gross amount of the income, prior to the reduction, to determine a family's annual income.

However, when the SSA overpays an individual, resulting in withholding or deduction from their benefit amount until the overpayment is paid in full, HABC must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount.

8.4.9 Nonrecurring Income

Nonrecurring income, which is income that will not be repeated beyond the coming year (e.g., 12 months following the effective date of the certification) based on information provided by the family, is excluded from annual income.

Income received as an independent contractor, day laborer, or seasonal worker is **not** excluded from income as nonrecurring income, even if the source, date, or amount of the income varies.

Income that has a discrete end date and will not be repeated beyond the coming year during the family's upcoming regular recertification period will be excluded from a family's annual income as nonrecurring income. This exclusion does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that can be extended.

8.4.10 Student Financial Assistance

HABC will include amounts of financial assistance an individual receives in excess of tuition and other required fees and charges when determining annual income.

If the student is the head of household, co-head or spouse and is over 23 (HUD interprets this as 24) with dependent children, then:

- All assistance received under 479B of the HEA is excluded from income.
- Other student financial assistance received by the student that, either by itself or in combination with HEA assistance, exceeds the actual covered costs is not excluded from income.
- The formula for calculating the excess amounts of financial assistance included in annual income is a multi-step process. First the 479B grants must be considered and then other student financial assistance is considered.

If the student is the head of household, co-head, or spouse and is 23 or younger (under 24) or does not have dependent children, then:

- Both the assistance received under 479B of the HEA and other student financial assistance received by the student will be counted as income to the extent that it exceeds the total of tuition and any other required fees and charges.
- The formula for calculating the excess amounts of financial assistance included in annual income is a one-step process of subtracting the total tuition plus required fees and charges from the total student financial assistance from all sources.

HABC will verify tuition and fees according to its verification policies.

8.4.11 Income for VASH Families

Generally, income for VASH families is determined the same way as for other HCV households, with the following exceptions:

1. For the purposes of determining income eligibility, HABC will exclude VA service-connected disability benefits. However, these benefits will be included when calculating the family's income for purposes of determining family share and HAP.
2. If a VASH family reports zero income, HABC must accept a self-certification of zero income from the family at admission or recertification without taking any additional steps to require that the family verify zero reported income. The self-certification does not need to be notarized. HABC must verify families' income in the EIV system within 120 days after admission.

8.5 DETERMINING INCOME FROM ASSETS

MTW Policy

HABC will exclude income from assets where the market/face value of the asset is up to $50,000. When the market/face value of a family's assets is in excess of $50,000, HABC will calculate asset income by taking the market/face value of the family's assets and multiplying that value by the established passbook savings rate.

There are two terms that are important in calculating asset income – market value and cash value.

Market value is the face value of an asset (i.e., the value of a Certificate of Deposit).

The *cash value* of an asset is the market value less reasonable expenses that would be incurred in selling or converting the asset to cash, such as the following:

- Penalties for premature withdrawal.
- Broker and legal fees; and
- Settlement costs for real estate transactions.

8.5.1 Treatment of Specific Assets

Bank Accounts

HUD considers bank accounts—checking, savings, credit union accounts—as non-necessary items of personal property to be included as assets. HABC will use the current balance of each account in determining its net value.

Investment Accounts

HUD considers financial investments such as stocks, bonds, saving certificates, and money market funds non-necessary items of personal property to be included as assets. HABC will include interest or dividends earned by investment accounts as actual income from assets even when the earnings are reinvested. In determining the market value of an investment account, HABC will use the value of the account on the most recent investment report.

Lump-Sum Additions to Family Assets

Any lump-sum receipts are only counted as assets if they are retained by a family in a form recognizable as an asset.

Life Insurance

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets. HABC will use the policy's current surrender value as the net value of the asset.

Net family assets do not include the value of term life insurance, which has no cash value to the individual before death.

Trusts as Assets

There are two types of trusts, *revocable* and *irrevocable*.

Irrevocable trusts—which include special needs trusts—are not under the control of any member of the family or household are not included as assets. HABC will also not include as income and amounts earned by the trust (e.g., interest earned, rental income if property is held in the trust) for so long as the income from the trust is not distributed.

A *revocable trust* is a trust that the creator of the trust may amend or end (revoke). When there is a revocable trust, the creator has access to the funds in the trust account.

- Revocable trusts under the control of the family or household (e.g., the grantor is a member of the assisted family or household) are considered assets and must be included in family assets. In this case, HABC will:
    - Exclude as income any distributions from the trust to the family;
    - Include income from the assets per HUD requirements.
- Revocable trusts that are **not** under the control of the family are excluded from family assets. This happens when a member of the assisted family is the beneficiary of a revocable trust, but the grantor is not a member of the assisted family. For the revocable trust to be considered excluded from family assets, no family or household member may be the account's trustee.

ABLE Accounts

An Achieving a Better Life Experience (ABLE) account is a type of tax-advantaged savings account that an eligible individual can use to pay for qualified disability expenses. Section 103 of the ABLE Act mandates that an individual's ABLE account (specifically, its account balance, contributions to the account, and distributions from the account) is excluded when determining the designated beneficiary's eligibility and continued occupancy under certain federal means-tested programs.

HABC will exclude the entire value of the individual's ABLE account from the household's assets. Distributions from the ABLE account are also not considered income. However, all wage income received, regardless of which account the money is paid to, is included as income.

8.5.2 Jointly Owned Assets

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the HABC will count the full value of the asset unless:

1. The asset is otherwise excluded;
2. The family can demonstrate that the asset is inaccessible to them, or
3. The family cannot dispose of any portion of the asset without the consent of another owner who refuses to comply.

A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If the family demonstrates that they can only access a portion of an asset, then only that portion's value is included in the calculation of net family assets for the family.

If an individual is a beneficiary who is entitled to access the account's funds only upon the death of the account's owner, and may not otherwise withdraw funds from an account, then the account is not an asset to the assisted family, and the family should provide proper documentation demonstrating that they are only a beneficiary on the account.

8.5.3 Net Cash Value Family Assets

The net cash value of all assets owned by the family is the amount, after deducting reasonable cost that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.

In determining net family assets, include the value of any business or family assets disposed of by an applicant or participant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore.

In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or participant receives consideration not measurable in dollar terms.

Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

MTW Policy

HABC uses market (face) value of assets to determine asset value and income on assets.

8.5.4 Treatment of Family Assets – Non MTW

The net cash value of an asset is the value of the asset after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, 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 from net family assets.

For MTW families, see the MTW policy on **DETERMINING INCOME FROM ASSETS** where the market/face value of the asset is used and disposition costs are not considered.

8.5.5 Assets Disposed of for Less than Fair Market Value

HABC will count assets disposed of for less than fair market value during the two years preceding certification or reexamination. HABC will count the difference between the market value and the actual payment received in calculating total assets for two years.

Assets disposed of as a result of foreclosure or bankruptcy are not considered to be assets disposed of, for less than fair market value. Assets disposed of as a result of a divorce or separation are not considered to be assets disposed of for less than fair market value.

HABC's minimum threshold for counting assets disposed of for less than fair market value is $5,000. If the total value of assets disposed of within the two-year period is less than $5,000, they will not be considered an asset. Anything under $5,000 is verified through self-declaration.

8.6 ADJUSTED INCOME

Adjusted income is calculated by subtracting allowable deductions and allowances from annual income. In determining adjusted income, HABC will deduct the following amounts from annual income, as applicable.

MTW Policy

HUD may adjust deductions for inflation to ensure that deductions do not lose value over time. Using its MTW flexibility HABC may develop and implement its own inflation adjustments.

8.6.1 Dependent Deduction

A deduction is taken for each dependent. A dependent is defined as any family member other than the head, spouse, or co-head who is:

- Under the age of 18,
- 18 or older and is a person with disabilities, or
- 18 or older and a full-time student.

Foster children, foster adults, and live-in aides are never considered dependents.

The amount of the deduction is currently $480.

Upon implementation of HOTMA, this amount may be adjusted annually by HUD in accordance with the Consumer Price Index (CPI) for urban wage earners and clerical workers, rounded to the next lowest multiple of $25.

8.6.2 Elderly or Disabled Family Deduction

A single deduction is taken for any elderly or disabled family. An elderly family is a family whose head, spouse or co-head is sixty-two (62) years or older or is a person with disabilities.

The amount of the deduction is currently $400. Upon implementation of HOTMA and subject to applicable HUD guidance, this amount will be increased to $525 and will be adjusted annually by HUD, rounded to the next lowest multiple of $25.

8.6.3 Health and Medical Care Expense Deduction

Health and medical care expenses are any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.

MTW Policy

Unreimbursed health and medical care expenses may be deducted for elderly and disabled households to the extent that, in combination with any disability assistance expenses, they exceed three percent (3%) of gross annual income. Additionally, HABC calculates health and medical care expenses for eligible participants using past paid, unreimbursed expenses in addition to prospective medical insurance premiums. Over-the-counter medications will not qualify for a deduction unless accompanied by a prescription and paid receipts.

The most current IRS Publication 502, Medical and Dental Expenses, will be used as a guide to determine the costs that qualify as health and medical care expenses; however, HABC will review each expense to determine whether it is eligible in accordance with HUD's definition of health and medical care expenses.

Summary of Allowable Health and Medical Expenses from IRS Publication 502	
• Services of medical professionals • Surgery and medical procedures that are necessary, legal, non-cosmetic • Services of medical facilities • Hospitalization, long-term care, and in-home nursing services • Prescription medicines and insulin	• Substance abuse treatment programs • Psychiatric treatment • Ambulance services and some costs of transportation related to medical expenses • The cost and care of necessary equipment related to a medical condition (i.e., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)

• Improvements to housing directly related to medical needs (i.e., ramps for a wheelchair, handrails)	• Cost and continuing care of necessary service animals • Medical insurance premiums or the cost of a health maintenance organization (HMO)
Note: This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.	

8.6.4 Disability Assistance Expense Deduction

Reasonable expenses for attendant care and auxiliary apparatus for each member of the family who is a person with a disability may be deducted if they:

- Are necessary to enable an adult family member, including the member with the disability, to be employed.
- Are not paid to a family member or reimbursed by an outside source.
- Do not exceed the earned income received by adult family members who are able to work because of such attendant care or auxiliary apparatus who is enabled to work.

The family must identify the family member enabled to work as a result of the disability assistance expense. In evaluating the family's request, HABC will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

MTW Policy

Disability assistance expenses may be deducted according to the parameters above and if, in combination with any health/medical expenses, they exceed three percent (3%) of gross annual income.

8.6.5 Childcare Expense Deduction

A family may receive a deduction of amounts to be paid by the family for the care of children in the household (not including foster children) under 13 years of age for the period for which annual income is computed, but only when such care is necessary to enable a family member to be gainfully employed or to further his/her education, which may include looking for work.

Amounts deducted must be unreimbursed expenses. The deduction will include the total unreimbursed childcare expense; however, the amount deducted may not exceed:

- The amount of income earned by the family member released to work; or
- An amount determined to be reasonable by HABC when the expense is incurred to permit education.

HABC will not approve an amount that exceeds the Child Care Demographics set for Baltimore City by the Maryland Family Network (MFN). The average weekly amount by age group and type of care is updated

regularly and can be found on the MFN website.

Eligible and Ineligible Childcare Expenses

The type of care to be provided is determined by the assisted family. Allowable expenses may also include those incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) and/or payments for childcare to relatives who do not live in the unit. HABC will not refuse to give a family the childcare expense deduction because there is an adult family member in the household that may be available to provide childcare.

Childcare expenses do **not** include:

- Child support payments made to another on behalf of a minor who is not living in an assisted family's household;
- For school-age children, costs attributable to public or private school activities during standard school hours;
- The costs of general housekeeping and personal services; and/or
- Expenses paid to a family member who lives in the family's unit.

If a childcare provider also renders other services to a family or childcare is used to enable a family member to conduct activities that are not eligible for consideration, HABC will prorate the costs and allow only that portion of the expenses that is attributable to childcare for eligible activities. Unless otherwise specified by the childcare provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Childcare expenses will be considered for the time required for the eligible activity plus reasonable transportation time, and for those furthering their education, include reasonable study time.

Hardship Policy for Childcare Expenses

Households may request a hardship review when a household's actual unreimbursed childcare expenses exceed HABC's established cap (consistent with the Maryland Family Network) by more than 10%. Approval will be contingent upon the household providing verification of the need for childcare expenses which are higher than the established HABC standard. HABC will develop procedures for application and approval of hardships due to childcare expenses.

8.7 DETERMINING TOTAL TENANT PAMENT (TTP)

Once annual income has been established, HABC will calculate the Total Tenant Payment (TTP) for the household. TTP is not the same thing as the tenant rent to the owner; however, it may be the same as the tenant rent to owner in some cases.

TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (1/12th of the adjusted income);
- 10 percent of the family's monthly gross income (1/12th of the annual income); or
- The minimum rent.

Annual income (see **Annual Income**) is used for the purposes of calculating TTP both at new admissions and during reexaminations.

8.7.1 Minimum Rent

Minimum rent refers to the TTP which includes the combined amount a family pays towards rent and/or utilities when it is applied.

HABC currently has a $25 minimum rent policy.

HABC will do the following for each minimum rent determined family:

- Assist minimum rent families in obtaining resources to identify financial assistance for which they may be eligible by providing information on social service agencies and other organizations that may help with financial assistance.
- Monitor the financial status of minimum rent families.
- Report to management, on a monthly basis, the number of minimum rent families on the program.

HABC may allow for financial hardship exemptions and will follow the regulations for such exemptions as published at 24 CFR 5.630. Hardship exemptions may be requested by the family if there is an inability to pay minimum rent due to financial hardship. The exemption must be reviewed and approved by the Senior Vice President for HCVP, or designee.

8.8 UTILITY ALLOWANCE

The utility allowance is intended to contribute to the cost of utilities not included in the rent. The allowance is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. Allowances are not based on an individual family's actual energy consumption.

The utility allowance is based on the lesser of the actual unit size selected or the family's voucher size.

The same utility allowance schedule is used for all tenant-based programs.

8.8.1 Utility Allowance Schedule

HABC's utility allowance schedule, and the utility allowance for an individual family, includes the utilities and services that are necessary in the locality to provide housing that complies with the housing quality standards.

HABC classifies utilities in the utility allowance schedule according to the following general categories: space heating, cooking, water heating, refrigerator (for tenant-supplied refrigerator), range (cost of tenant-supplied range); and other specified services. HABC does not provide any allowance for non-essential utility costs, such as costs of cable or satellite television. The approved utility allowance schedule is given to families along with their voucher.

HABC will review the utility allowance schedule annually. If the review finds a utility rate has changed by 10 percent or more since the last revision of the utility allowance schedule, the schedule must be revised to reflect the new rate. As a rule, the most recent utility table available will be used.

8.8.2 Applying Utility Allowances

Revised utility allowances will generally be applied in a participant family's rent calculation at their next regular reexamination or upon a move.

Alternatively, HABC may specify a date for the universal implementation of the most current utility tables. Universal implementation refers to adjusting all active participant accounts at one time to reflect the utility allowances in effect at that time.

8.8.1 Utility Reimbursement

If the amount of the utility allowance exceeds the total tenant payment, HABC will pay the amount of such excess to the family directly. The HABC will issue all utility reimbursements monthly.

8.9 TENANT RENT AND SUBSIDY DETERMINATION

Once the TTP has been established, HABC will calculate the HABC subsidy / Housing Assistance Payment (HAP), the tenant rent, and utility reimbursement, if applicable.

8.9.1 Family Share

The family share is the family's contribution toward the gross rent.

For a family selecting a unit where the gross rent is at or below the payment standard for the family, the family share will be the same as the TTP.

For a family selecting a unit where the gross rent exceeds the payment standard for the family, the family share is the TTP plus any amount by which the gross rent exceeds the payment standard.

8.9.2 Maximum Initial Rent Burden

At initial occupancy and upon transfer to a new unit, HABC will not approve the tenancy if the gross rent is above the payment standard resulting in a family share that exceeds the maximum initial rent burden, which is 40 percent of adjusted monthly income, even if the rent is reasonable.

HABC may approve a unit if the gross rent is above the payment standard, but does not result in a tenant portion that exceeds the 40 percent of monthly adjusted income.

8.9.3 HABC Subsidy/Housing Assistance Payment (HAP)

HABC will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of:

- The applicable payment standard for the family minus the family's TTP, or
- The gross rent for the family's unit minus the TTP.

The gross rent for the unit is the sum of the approved contract rent and the applicable utility allowance. See **UTILITY ALLOWANCE** for more information.

8.9.4 Proration of Assistance For "Mixed" Families

Pro-ration of assistance must be offered to any *mixed* applicant or participant family. A *mixed family* is one that includes at least one U.S. citizen/national or eligible immigrant and any number of ineligible members.

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percent of the family members who actually are eligible.

CHAPTER 9: HOUSING QUALITY STANDARDS AND INSPECTIONS

9.1 INTRODUCTION

All units occupied by families receiving HCV and PBV assistance must meet HUD's minimum housing quality standards and comply with HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) regulations and standards at 24 CFR 5.703.

This chapter provides an overview of the housing quality standards that all assisted units must meet, outlines the types and timing of inspections conducted by HABC, defines the responsibilities of property owners and tenants, and describes enforcement actions for instances of non-compliance.

9.2 NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE (NSPIRE) STANDARDS

To ensure that all residents live in safe, habitable dwellings, the items and components located inside the building, outside the building, and within the units of HUD housing must be functionally adequate, operable, and free of health and safety hazards.

For HCV, PBV, and Mod Rehab programs, these standards apply specifically to:

- The subsidized unit itself; and
- The primary and secondary means of egress from the unit's entry door(s) to the public way, as well as shared residential features of the building (such as laundry rooms, community rooms, and mail rooms), and any building systems or equipment that directly serve the subsidized unit.

9.2.1 Affirmative Habitability Requirements

NSPIRE provides for minimum, or affirmative, habitability requirements for each area (unit, inside, outside), as detailed below.

Note: The smoke alarm standard now requires sealed batteries according to the Public and Federally Assisted Housing Fire Safety Act of 2022.

Affirmative Habitability Requirements: Inside

- Must include at least one (1) battery-operated or hard-wired smoke detector, in proper working condition, on each level of the property.
- Must meet or exceed the carbon monoxide detection standards set by the Secretary through Federal Register notification.
- Any outlet installed within six (6) feet of a water source must be GFCI protected.
- Must have a guardrail when there is an elevated walking surface with a drop off of 30 inches or greater measured vertically.
- Must have permanently mounted light fixtures in any kitchens and each bathroom.
- May not contain unvented space heaters that burn gas, oil or kerosene.

Affirmative Habitability Requirements: Outside

- Any outlet installed within six (6) feet of a water source must be GFCI-protected.

- Must have a guardrail when there is an elevated walking surface with a drop off of 30 inches or greater measured vertically.

Affirmative Habitability Requirements: Unit

- Must have hot and cold running water in the bathroom and kitchen, including an adequate source of safe drinking water in the bathroom and kitchen.
- Must include its own bathroom or sanitary facility that is in proper operating condition and usable in privacy. It must contain a sink, a bathtub or shower, and an interior flushable toilet.
- Must have at least one (1) battery-operated or hard-wired smoke detector, in proper working condition, in the following locations:
    - On each level of the unit;
    - Inside each bedroom or sleeping area;
    - With 21 feet of any door to a bedroom measured along a path of travel; and
    - Where a smoke detector is installed outside a bedroom is separated from an adjacent living area by a door, a smoke detector must also be installed in the living area side of the door.
- If the unit is occupied by a hearing-impaired person, the smoke detectors must have an alarm system designed for hearing-impaired persons.
- Must have a living room and a kitchen area with a sink, cooking appliance, refrigerator, food preparation area and food storage area.
- Must have two (2) working outlets or one (1) working outlet and one (1) permanent light fixture within all habitable rooms.
- Must have a permanently mounted light fixture in each bathroom and in the kitchen.
- Outlets within six (6) feet of water source must be GFCI-protected.
- Must have permanently installed heating source.
- No units may contain unvented space heaters that burn gas, oil or kerosene.
- Must have a guard rail when there is an elevated walking surface with a drop off of 30 inches or greater measured vertically.
- Must have at least one (1) bedroom or living/sleeping room for each two (2) persons.

9.2.2 Additional Local Requirements

HABC may impose variations to the NSPIRE standards as long as the additional criteria are not likely to adversely affect the health or safety of participant families or severely restrict housing choices for families. HUD approval is required for variations to NSPIRE standards and approved variations must be added to this Plan.

Bedrooms

A bedroom by definition is a private room or chamber to accommodate sleeping of at least one (1) person. There is no minimum square foot requirement. However, upon HUD approval and as a general rule, HABC will consider a bedroom to be approximately 70 square feet as a base line, but no bedroom should be smaller than 60 square feet. All bedrooms must have access directly from the public spaces through a door that has, at a minimum, a passage lockset.

All bedrooms must have exposure to the exterior with a functioning window. On pre-contract inspections, skylights will no longer be considered windows. All bedrooms must have adequate electrical service.

A bedroom can only be located in the basement if all the conditions cited above exist, as well as the following:

- There must be four-season controlled air through properly functioning HVAC system.
- There must be an unobstructed window with allowable light through 75% of the masonry opening.
- There must be a minimum ceiling height of 84 inches (or 7 feet) clear headroom. Structural obstructions (beams, ventilation, piping, soffits, etc.) must be limited to less than 30% of the square footage of the ceiling and cannot protrude below 76 inches.

Bedrooms in attics are not allowed unless they meet local code requirements and must have adequate ventilation and emergency exit capability.

Minimum bedroom ceiling height is 7 feet—or as defined by local code (International Property Maintenance Code).

Dens

A den by HABC definition and upon HUD approval is a public multi-purpose room and is not intended to be a private chamber or bedroom. Its uses are (but not limited to) family room, playroom, library, study, home office, or sleeping room. There are no minimum or maximum square footage requirements. Dens can have electrical service and direct exposure to sunlight by window and/or doors. Absence of these amenities does not automatically qualify the space to be a den.

The following conditions shall be evaluated when assessing whether space should be considered a den:

- All spaces in the footprint of the building must be assessed as part of the residence. A room cannot be blocked off and not counted as part of the residence regardless of the previous use of that space.
- Conversion of an existing bedroom to create a den must meet the above criteria and be approved by HABC.
- Blocking a window to create a *non-lighted* room does not create a den.
- Removing outlets or replacing outlet plates with blank covers does not create a den.
- Removing a door to create a *non-private* space does not create a den.
- Removing a ceiling fixture does not create a den.
- A den cannot be a private room.

As built dens are permitted and can be assessed as an amenity if the following conditions apply:

- It may or may not have direct access to the exterior (either window or door).
- It may or may not have electrical outlets.
- It must be a permanent public space.

A structural redesign can create a den if the following conditions exist:

1. The space must be a public space prior to the NSPIRE inspection.
2. If a door existed, the door, jamb and all casing must be removed, all adjacent walls must be re-finished, and public access must be granted.
3. If the windows are removed, there must be permanent blockage of the window and this includes removal of the window, framing, sill, and a permanent treatment to exterior and skin of the building.
4. If electrical outlets are removed, all wiring to the breaker panel must be removed as well.

If there is any uncertainty in the assessment, the inspector should discuss specific conditions with the HCVP Inspection's Manager or Senior Manager.

9.2.3 Life Threatening Deficiencies

The following are considered to be life-threatening deficiencies under NSPIRE:

Inspectable Item	Deficiency
Call-for-Aid System	System is blocked, or pull cord is higher than 6 inches off the floor.
	System does not function properly
Carbon Monoxide Alarm	Carbon monoxide alarm is missing, not installed, or not installed in a proper location.
	Carbon monoxide alarm is obstructed.
	Carbon monoxide alarm does not produce an audio or visual alarm when tested.
Chimney	A visually accessible chimney, flue, or firebox connected to a fireplace or wood-burning appliance is incomplete or damaged such that it may not safely contain fire and convey smoke and combustion gases to the exterior.
	Chimney exhibits signs of structural failure.
Clothes Dryer Exhaust Ventilation	Electric dryer transition duct is detached or missing.
	Gas dryer transition duct is detached or missing.
	Electric dryer exhaust ventilation system has restricted airflow.
	Dryer transition duct is constructed of unsuitable material.
	Gas dryer exhaust ventilation system has restricted airflow.

Inspectable Item	Deficiency
Door – Entry	Entry door is missing.
Door – Fire Labeled	Fire labeled door is missing.
Egress	Obstructed means of egress.
	Sleeping room is located on the third floor or below and has an obstructed rescue opening.
	Fire escape is obstructed.
Electrical – Conductor, Outlet, and Switch	Outlet or switch is damaged.
	Exposed electrical conductor.
	Water is currently in contact with an electrical conductor.
Electrical – Service Panel	The overcurrent protection device is damaged.
Exit Sign	Exit sign is damaged, missing, obstructed, or not adequately illuminated.
Fire Escape	Fire escape component is damaged or missing.
Fire Extinguisher	Fire extinguisher pressure gauge reads over or under-charged.
	Fire extinguisher service tag is missing, illegible, or expired.
	Fire extinguisher is damaged or missing.
Flammable and Combustible Items	Flammable or combustible item is on or within 3 feet of an appliance that provides heat for thermal comfort or a fuel-burning water heater; OR Improperly stored chemicals.
Guardrail	Guardrail is missing or not installed.
	Guardrail is not functionally adequate.
Heating, Ventilation, and Air Conditioning (HVAC)	The inspection date is on or between October 1 and March 31 and the permanently installed heating source is not working or the permanently installed heating source is working and the interior temperature is below 64 degrees Fahrenheit.
	Unvented space heater that burns gas, oil, or kerosene is present.
	Combustion chamber cover or gas shutoff valve is missing from a fuel burning heating appliance.
	Fuel burning heating system or device exhaust vent is misaligned, blocked, disconnected, improperly connected, damaged, or missing.
Leak – Gas or Oil	Natural gas, propane, or oil leak.
Mold-like Substance	Presence of mold-like substance at extremely high levels is observed visually.

Inspectable Item	Deficiency
Smoke Alarm	Smoke alarm is not installed where required.
	Smoke alarm is obstructed.
	Smoke alarm does not produce an audio or visual alarm when tested.
Sprinkler Assembly	Sprinkler head assembly is encased or obstructed by an item or object that is within 18 inches of the sprinkler head.
	Sprinkler assembly component is damaged, inoperable, or missing and it is detrimental to performance.
	Sprinkler assembly has evidence of corrosion.
	Sprinkler assembly has evidence of foreign material that is detrimental to performance.
Structural System	Structural system exhibits signs of serious failure.
Toilet	Only 1 toilet was installed, and it is missing.
Water Heater	Chimney or flue piping is blocked, misaligned, or missing.
	Gas shutoff valve is damaged, missing, or not installed.

In addition to those listed under the NSPIRE standards, the following are considered life-threatening conditions:

- Utilities not in service, including no running hot water,
- Asbestos-like sightings,
- Rat Infestation (upon HUD approval).

Note: In those 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 make the repair, proper authorities will be notified by HABC.

9.2.4 Violation of Space Standards

Units assisted through the HCV or PBV programs must provide at least one (1) bedroom or living/sleeping area for every two (2) persons. While a living room may serve as a sleeping space, no more than two (2) individuals may occupy that area. Each habitable room must contain either two (2) functional electrical outlets or one (1) functional outlet and a permanent light fixture.

HUD defines a habitable room as any space used for living, sleeping, eating, or cooking. This definition excludes bathrooms, toilet rooms, closets, hallways, storage areas, utility spaces, and similar non-living areas.

If a unit fails to meet these space requirements, it is considered overcrowded. When HABC determines that overcrowding has occurred due to a change in family size or composition, it will issue the family a new voucher, requiring them to search for a suitably sized unit as soon as possible. If a suitable unit is available and can be rented by the family, HABC will terminate the existing HAP contract in accordance with program regulations.

9.3 FAMILY AND OWNER RESPONSIBILITIES

Topic	Policy	
	HAP contracts executed or renewed June 5, 2024, or earlier	**HAP contracts executed or renewed June 6, 2024, or later**
Family Responsibilities	The family is responsible for correcting the following deficiencies: • Tenant-paid utilities not in service. • Failure to provide or maintain appliances owned by the family. • Damage to the unit or premises caused by a household member or guest beyond ordinary wear and tear. *Ordinary wear and tear* is defined as items which could not be charged against the tenant's security deposit under state law or court practice.	The family may be held responsible for the following deficiencies: • Tenant-paid utilities not in service. • Failure to provide or maintain appliances owned by the family. • Damage to the unit or premises caused by a household member or guest beyond ordinary wear and tear. *Ordinary wear and tear* is defined as items which could not be charged against the tenant's security deposit under state law or court practice. **If HABC has waived the owner's responsibility to remedy the violation, the following applies:** • If the deficiency caused by the family is life-threatening, the family must take all steps permissible under the lease and state and local law to ensure the deficiency is corrected within 24 hours of notification. • For other family-caused deficiencies, the family must take all steps permissible under the lease and state and local law to ensure the deficiency is corrected within 30 calendar days of notification (or any HABC-approved extension).
Owner Responsibilities /Obligations	The owner must maintain the unit in accordance with NSPIRE regulations and standards. The owner is not responsible for a breach of the standards that is not caused by the owner, and for which the family is responsible. The owner is responsible for all NSPIRE violations not listed as a family responsibility above,	The owner must maintain the unit in accordance with NSPIRE regulations and standards. **In the case of a deficiency that HABC determines is caused by the tenant (other than damage resulting from ordinary use), HABC may waive the owner's responsibility to remedy the violation. The HAP to the owner shall**

Topic	Policy	
	HAP contracts executed or renewed June 5, 2024, or earlier	**HAP contracts executed or renewed June 6, 2024, or later**
	even if the violation is caused by the family's living habits (e.g., vermin infestation). However, if the family's actions constitute a serious or repeated lease violation, the owner may take legal action to evict the family. If an owner fails to correct life-threatening conditions as required by HABC, HABC will enforce the NSPIRE standards in accordance with HUD requirements.	**not be withheld or abated if the owner responsibility has been waived.** However, if the family's actions constitute a serious or repeated lease violation, the owner may take legal action to evict the family. **In addition, HABC may terminate the family's assistance because of an NSPIRE breach (beyond damage resulting from ordinary use) caused by the tenant.**

9.4 OTHER REQUIREMENTS

9.4.1 Modifications to Provide Accessibility

Under the Fair Housing Act of 1988, housing owners are required to make reasonable accommodations in policies, practices, or services when necessary to afford individuals with disabilities full enjoyment of the premises. Owners must also permit households that include a person with a disability to make reasonable and necessary modifications to their units, at the family's expense, when those modifications are needed for full access to and enjoyment of the premises.

Modifications must comply with all applicable housing quality standards, NSPIRE inspection requirements, and local building codes. They must also conform to federal accessibility standards, including the Uniform Federal Accessibility Standards (UFAS) and the ADA Accessibility Guidelines (ADAAG).

If a proposed modification would interfere with future use or enjoyment of the unit, the owner may require that the unit be restored to its original condition (excluding reasonable wear and tear). While the owner may not increase the required security deposit, they may negotiate a restoration agreement and, if needed, require the tenant to make payments into a reasonable, interest-bearing escrow account, with interest accruing to the tenant. Owners may also require assurances that the work will be completed properly and legally, including obtaining required permits.

If an owner wishes to require a restoration agreement or escrow account, they must submit it to HABC for review and approval prior to execution.

Other HABC Requirements

Modifications or adaptations to a unit due to a disability must meet all applicable housing quality standards and building codes.

Extensions for repair items not required by NSPIRE will be granted for modifications to the unit if agreed to by the voucher holder and landlord. HABC will allow execution of the HAP contract if the unit meets all requirements, and the modifications do not affect the livability of the unit.

Efforts will be made to point out other deficiencies and to encourage owners to provide housing above minimum standards. HABC will not promote any additional acceptability criteria likely to adversely affect the health or safety of participant families, or severely restrict housing choice.

9.4.2 Lead-Based Paint

Owners must comply with the requirements and timelines in 24 CFR Part 35 Subpart M—Tenant-Based Rental Assistance and Subpart H—Project-Based Assistance. Any deteriorated paint in target housing, or other lead-based paint hazard identified through a lead-based paint risk assessment or lead-based paint inspection is considered a violation of NSPIRE standards.

For the HCV program, Subpart M applies to units where a child under age six resides or is expected to reside, common areas that service that unit, and exterior painted surfaces associated with that unit or common areas. For project-based programs, Subpart H applies to assisted units and common areas of the property regardless of whether a child under age six resides or is expected to reside in the unit. NSPIRE does not alter any of the lead-based paint requirements in Part 35 for these programs.

See PIH Notice 2017-13 for special requirements for children with elevated blood lead level and related reporting requirements.

HABC will periodically follow up with the Baltimore City Health Department if a home in the HCVP has been identified to contain lead paint and take recommended action.

9.4.3 Winter Waivers

HABC will grant Winter Waivers of units that will be exempt during the cold weather seasons from the requirement to paint exteriors that have been found with deteriorating paint and/or repairing heaved or cracked concrete.

However, during this period owners will be obligated to remove any loose, chipping or peeling paint leaving a smooth surface and removing the paint chips from the ground. Heaved concrete that creates a tripping hazard will also need to be remedied. HABC will confirm that these actions have been taken before the Winter Waiver is granted.

Owners that are granted a Winter Waiver will receive a letter scheduling the date that the unit will be re-inspected for proper correction of the deficiency. The letters will be mailed two (2) weeks prior to the inspection date. Units that do not pass the first Winter Waiver re-inspection shall be abated immediately. Owners must contact the HCVP Inspections office to schedule a second Winter Waiver inspection. Housing Assistance Payments (HAP) will not be paid retroactively once the unit passes inspection.

Winter Waivers may be requested by submitting the Request for Winter Waiver form online. Please log in to the new HCVP Owner Portal by visiting https://habc.hcvportal.org/ and submit the Winter Waiver Request Form. If unable to log into the new HCVP Owner Portal, please reach out to a Leasing Specialist. The completed form must be submitted to HABC prior to the re-inspection date.

9.5 GENERAL INSPECTIONS POLICIES

9.5.1 Inspection of HABC-Owned Units

See 24 CFR 982.4(b) for the definition of a *PHA-owned unit*.

MTW Policy

HABC has waived the requirement for Independent Entities to conduct inspections of HABC-owned properties.

9.5.2 Notice and Scheduling

Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life-threatening emergency, reasonable notice may be less than two (2) business days. Generally, inspections will be conducted on regular business days during regular business hours. In the case of a life-threatening emergency, HABC will give as much notice as possible, given the nature of the emergency.

9.5.3 Owner and Family Inspection Attendance

Any household member (18 years of age or older) must be present for the regular inspection, any special inspection, any quality control inspection and any re-inspection.

The presence of the owner or the owner's representative is recommended for the initial inspection and any initial re-inspection unless the tenant obtaining unit is leasing in place. HABC may conduct an initial inspection without the owner or the family if access is provided using a lockbox or keypad.

9.5.4 Remote Video Inspections

As an alternative to some or all onsite inspections, HABC may, but is not required to, perform inspections from a remote location using video streaming technology and a proxy at the inspection site. Since there may be some circumstances in which the application of technology provides insufficient information or evidence to allow HABC to make appropriate determinations about whether a condition violates NSPIRE standards, Notice PIH 2020-31 requires that if a PHA chooses to implement remove video inspections (RVIs), the PHA should have policies and procedures in place to address such limitations.

9.5.5 Self-Certification of Repairs

Self-certification is a process that allows property owners to correct minor, non-health and safety-related violations without requiring a follow-up inspection from HABC. Instead, the owner completes a certification form, co-signed by the voucher holder, confirming that the violation has been properly resolved. This option is available only for units with a demonstrated history of meeting inspection standards and is intended to streamline the re-inspection process while maintaining accountability.

Owners may not use self-certification to replace a first inspection—self-certification is only available to confirm resolution of deficiencies (i.e., to replace a re-inspection).

HABC will determine a unit's eligibility for self-certification. Health and safety violations—including any deficiencies classified as life-threatening deficiencies requiring 24-hour correction—are not eligible for this process due to the immediate risk they pose to tenants. In addition, units not yet under contract are not eligible for self-certification until after they have passed their first post-contract inspection. Any unit currently under abatement must be brought into compliance and pass a standard inspection before qualifying for self-certification.

To request self-certification, the owner must submit a completed Owner Self-Certification Form through the HCVP Owner Portal. The form must be signed by the voucher holder, confirming that the cited violation has been corrected. It must also be submitted and received by HABC at least five (5) business days prior to the scheduled re-inspection. If the form is approved, the re-inspection will be canceled. However, if the form is not received within the required timeframe, the re-inspection will proceed as scheduled.

The self-certification form includes a waiver that indemnifies HABC from liability for any unresolved violations that were falsely certified. To ensure the integrity of this process, HABC may conduct random Quality Control inspections on units that were self-certified. If a Quality Control inspection determines that the violation was not corrected as claimed, the owner may be disqualified from participating in the self-certification program for two (2) years, beginning from the date the unit ultimately passes inspection.

For assistance with the self-certification process or submitting the form through the portal, owners are encouraged to contact the HCVP Inspections Team.

9.6 TYPES OF INSPECTIONS

9.6.1 Initial Inspection

Units assisted under the HCV program be inspected to determine that the units meet housing quality standards before HABC approves assisted tenancy. HABC must determine that the unit the family selects meets housing quality standards prior to approving tenancy.

HABC will inspect the unit and determine whether the unit satisfies HABC's housing quality standards within fifteen (15) calendar days of the submission and/or the receipt of the RFTA and all required documents from the owner or tenant. The owner and the family will be notified of the outcome of the inspection.

The Pre-Contract (Initial) Inspection will be conducted to:

- Determine if the unit and property meet the housing quality standards defined in this Plan;
- Document the current condition of the unit to assist in future evaluations whether the condition of the unit exceeds normal wear and tear; and
- Document the information to be used for determination of rent reasonableness.

If the unit fails the initial inspection, the owner will be given up to fifteen (15) days to correct the items noted as *Fail*. The timeline for corrections will be at the inspector's discretion and will depend on the amount and complexity of work to be done. The owner will be allowed one (1) re-inspection upon notification that repairs have been completed.

If the unit is not ready at the time of the initial inspection or the maximum number of failed re-inspections has elapsed without resolution of the deficiencies, then the voucher holder will be given a new leasing packet to find another unit.

Utilities and Appliances

All utilities must be active and in service before the effective date of the HAP contract. If utilities are not on at the time of inspection, the inspector will immediately stop the inspection and instruct the owner to restore utility service. Once the owner confirms that utilities have been turned on, HABC will schedule a re-inspection to verify that all utilities are active and legally connected. This re-inspection must occur prior to HAP contract execution. If the inspector observes any evidence of illegal or fraudulent utility connections, the inspection will be terminated immediately. In such cases, the voucher holder will be issued a new leasing packet and instructed to locate another eligible unit.

If the voucher holder is responsible for providing the stove and/or refrigerator, HABC will allow those appliances to be installed after the unit passes all other inspections requirements. The family must then

submit a written certification to HABC confirming that the appliances have been installed and are functioning properly. A re-inspection will not be conducted for this purpose. All required appliances must be in place before the HAP contract is executed by HABC.

Re-Inspection Fees – Initial/Pre-Contract Inspections

MTW Policy

HABC has established a $100 fee to owners for re-inspection, in accordance with the policies outlined below. From time to time, HABC may review and modify the re-inspection fee to reflect changes in the cost of re-inspections.

For a unit not currently under HAP contract, HABC will provide owners with a self-inspection checklist as part of the RFTA/Leasing Packet. The checklist will include guidance that upon inspection by HABC, if the unit fails inspection, HABC will schedule a re-inspection.

HABC will charge the owner for a re-inspection if the unit is not ready for inspection, e.g., plumbing fixtures or appliances are not connected, the unit is under construction, disconnected or illegal utilities, excessive violations or the owner fails to provide access to the unit.

Otherwise, if the unit is ready but fails the first inspection, there will be no fee for the first re-inspection. If the unit fails at the first re-inspection, HABC will charge the owner a re-inspection fee for the second re-inspection if the family wishes to continue the process of leasing that unit. The re-inspection fee must be paid in full prior to HABC conducting a second re-inspection of the unit.

Note: owners will be charged a fee for repeated RFTA submissions for the same unit if that unit has failed an inspection within the prior 60 days. If there have been no inspections within the last 60 days, the RFTA will be treated as new, and the inspection process will start over as an initial inspection.

9.6.2 Pre-Contract Site and Neighborhood Conditions

HCVP Inspectors will also inspect site and neighborhood conditions. The site and neighborhood must be reasonably free from disturbing noises and reverberations or other dangers to health, safety, and general welfare of the occupants. Examples of conditions that would “seriously and continuously endanger the health or safety of the residents” include, but are not limited to:

- Other buildings on or near the property, that pose serious hazards;
- Evidence of flooding or major drainage problems;
- Evidence of mud slides or large land settlement or collapse;
- Proximity to open sewage;
- Foundation structure;
- Unprotected heights;
- Rodent, animal and insect infestations;

- Abnormal air pollution or smoke which continues throughout the year and is determined to seriously endanger health;
- Adjacent to, or in proximity to one or more vacant/condemned unit(s); or
- Continuous or excessive vibration of vehicular traffic.

9.6.3 Periodic (Regular) Inspections

HABC will inspect all units under contract in accordance with NSPIRE standards on a biennial basis (at least once every 24 months). Upon completion of an inspection, HABC will determine whether the unit passes or fails. Units that pass inspection must be re-inspected within 24 months and may be scheduled as early as 18 months after the last result to ensure timely completion of the inspection schedule.

Units that consistently fail to meet inspection standards will be inspected as needed. HABC reserves the right to set and modify the inspection schedule for each unit. Special inspections may be scheduled at any time at HABC's discretion.

Scheduling the Inspection

HABC will notify the family of the date and time of the inspection appointment by mail at least fifteen (15) calendar days prior to the scheduled inspection date. The owner will be notified through robocall, email, or the housing portal.

An adult household member (18 years or older) or designee must be present at any scheduled inspection. If the family, designee of the family, or the landlord is unable to be present, the family and/or landlord must contact HABC to reschedule the appointment so that the inspection can be completed in a timely manner.

If HABC cannot gain access to the unit at the time and date scheduled, a card will be left at the unit and another inspection will be scheduled. The participant and landlord will be notified by mail of the new scheduled inspection date and time and that a second failure to gain access will lead to suspension of HAP payments to the owner and an end of participation in the HCV program for the voucher holder.

No more than two (2) attempts to inspect are required. If the family misses two inspections during the same cycle, HABC will consider the family to have violated its obligations, and it may result in termination of the family's assistance in accordance with its policies.

Re-Inspection Fees – Periodic (Regular) Inspections

> ***MTW Policy***
>
> HABC has established a $100 fee to owners for re-inspection, in accordance with the policies outlined below. From time to time, HABC may review and modify the re-inspection fee to reflect changes in the cost of re-inspections.
>
> An owner notifies HABC that a deficiency cited in previous re-inspection has been repaired or the allotted time for repairs has elapsed and under either circumstance the previously cited deficiency(ies) has/have not been corrected. Under this circumstance, HABC will require the owner to pay a re-inspection fee prior to conducting a second re-inspection.
>
> The re-inspection fee will not apply to:

- Deficiencies caused by the participant family;
- An instance in which an inspector was unable to gain access to a unit currently under HAP contract; or
- New deficiencies identified during a re-inspection. If new deficiencies are uncovered during the re-inspection, HABC will follow established procedures to address these newly identified deficiencies.

Example:

- A unit fails its regular inspection on March 5: No inspection fee.
- A re-inspection on April 4 reveals that the previously cited deficiencies have not been corrected: No inspection fee; however, HAP is abated.
- On April 30, the owner notifies HABC that the previously cited deficiencies have been corrected. Prior to HABC conducting a second re-inspection, HABC will charge, and the owner must pay a re-inspection fee.
- Re-inspection fees will be charged for each additional re-inspection until the unit receives a pass rating.

9.6.4 Interim (Special/Complaint) Inspections

If at any time the family or owner notifies HABC that the unit does not meet inspection standards, HABC will conduct an inspection. HABC may also conduct a special inspection based on information from third parties such as neighbors or public officials.

If a participant or government official notifies HABC of a potential deficiency, the following applies:

- If the reported deficiency is life-threatening, HABC shall inspect the housing unit and notify the owner if the life-threatening deficiency is confirmed within 24 hours of notification. The owner must then make the repairs within 24 hours of HABC notification.
- If the reported deficiency is non-life-threatening, HABC shall inspect the unit and notify the owner if the deficiency is confirmed within fifteen (15) days of notification. The owner must then make the repairs within 30 days of notification by HABC or within any HABC-approved extension.

HABC will be required to inspect only the items that were reported, but if the inspector notices additional deficiencies that would cause the unit to fail the inspection, the responsible party will be required to make the necessary repairs. If the scheduled inspection date is within ninety (90) calendar days of a special inspection, a full inspection may be conducted, and the special inspection will serve as the regularly scheduled inspection. Re-inspection of complaint inspections will be subject to fee requirements above.

9.6.5 Quality Control Inspections

Quality Control inspections will be performed by Inspection's Production and Quality Control Supervisor, Inspections Manager or designated person for a sampling of recent inspections. The purpose of Quality Control inspections is to ensure that each inspector is conducting accurate and complete inspections, and to ensure that there is consistency among inspectors in application of the HABC's inspection standards.

The sample files will include recently completed inspections (i.e., within forty-five (45) calendar days), a cross-section of neighborhoods, and a cross-section of inspectors.

The Quality Control inspections will also be performed on units in which the landlord/owner has self-certified that all violations have been corrected and will be randomly chosen in these instances.

9.6.6 Move Out Inspections

A move-out inspection may be performed only at the landlord's request to document tenant damages. This type of inspection must be requested within 30 calendar days of the participant's move-out date. This inspection type is required for owners who wish to submit damage claims (see **LEASING INCENTIVES** in the chapter on Leasing and Reasonable Rent).

For damage claims, receipts will be required to document and confirm itemized repairs covered by the security deposit and balances for items not covered by the security deposit (if applicable). An inspection to confirm repairs were made will be conducted upon the submission of a new RFTA for the unit covered by the claim.

9.7 INSPECTION RESULTS AND RE-INSPECTIONS FOR UNITS UNDER HAP CONTRACT

9.7.1 Correction Timeframes

Each deficiency is identified in the NPSIRE standards as either life-threatening, severe, moderate, or low.

For units under HAP contract, life-threatening deficiencies must be corrected within 24 hours after notice has been provided. No extensions can be provided for life-threatening deficiencies.

All other non-life-threatening deficiencies (severe and moderate) must be corrected within thirty (30) calendar days after notice has been provided.

For major repairs (other than life-threatening deficiencies), the Senior Vice President or designee may approve an extension beyond thirty (30) days on a case-by-case basis. A follow-up re-inspection will take place between thirty (30) and forty-five (45) calendar days of the identification of a failed item.

9.7.2 Notification of Corrective Actions

The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies deficiencies, HABC will determine (1) whether or not the failure is a life-threatening condition and (2) whether the family or owner is responsible.

- When **life-threatening deficiencies** are identified: HABC will immediately notify both parties by telephone or email. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of HABC's notice.
- When failures that are **severe or moderate** are identified: HABC will send the owner and the family a written notification of the inspection results within five (5) business days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally, not more than 30 days will be allowed for the correction.
- If **low deficiencies** are identified: these deficiencies will only be noted for informational purposes.

Topic	Policy	
	HAP contracts executed or renewed June 5, 2024, or earlier	**HAP contracts executed or renewed June 6, 2024, or later**
Notification of Corrective Actions	The notice of inspection results will inform the owner that if life-threatening conditions are not corrected within 24 hours, and non-life-threatening conditions are not corrected within the specified time frame (or any HABC-approved extension), the owner's HAP will be abated in accordance with HABC policy. In the case of family-caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any HABC-approved extension, if applicable) the family's assistance will be terminated in accordance with HABC policy.	**If the owner is responsible for correcting the deficiency,** the notice of inspection results will inform the owner that if life-threatening conditions are not corrected within 24 hours, and non-life-threatening conditions are not corrected within the specified time frame (or any HABC-approved extension), **the owner's HAP will be abated in accordance with HABC policy.** **If the family is responsible for correcting the deficiency,** the notice will inform the family that if corrections are not made within the specified time frame (or any HABC-approved extension, if applicable) **the family's assistance will be terminated in accordance with HABC policy.** See also **ENFORCING OWNER AND FAMILY COMPLIANCE** for additional policies regarding timeframes for withholding and/or abating HAP, as applicable. In addition to the information above, the notices to the tenant and owner should indicate when and if HAP will be withheld or abated, as applicable.

9.7.3 Re-Inspections

HABC will conduct a re-inspection immediately following the end of the corrective period, or any HABC-approved extension. If the deficiencies have not been corrected by the time of the re-inspection, HABC will send a notice of abatement to the owner, or in the case of family-caused violations, a notice of termination to the family, in accordance with HABC policies.

If HABC is unable to gain entry to the unit in order to conduct the scheduled re-inspection, HABC will consider the family and owner to have violated their obligation to make the unit available for inspection. Failure to gain entry may result in termination of the family's assistance and abatement of the owner's HAP in accordance HABC policy.

See also HABC policy on **Re-Inspection Fees – Periodic (Regular) Inspections**.

9.8 ENFORCING OWNER AND FAMILY COMPLIANCE

If the owner fails to maintain the dwelling unit in accordance with NSPIRE standards, HABC will take action to enforce the owner obligations. In addition, if the family fails to correct a deficiency that is their responsibility then HABC seek to terminate the family's assistance in accordance with HABC policy.

Topic	Policy	
	HAP contracts executed or renewed June 5, 2024, or earlier	**HAP contracts executed or renewed June 6, 2024, or later**
Owner Compliance – Owner-Responsible Deficiencies		
HAP Abatement	If an owner fails to correct deficiencies by the time specified by HABC, HABC will abate housing assistance payments no later than the first of the month following the specified correction period (including any approved extension). No retroactive payments will be made to the owner for the period of time the rent was abated. Owner rents are not abated as a result of deficiencies that are the family's responsibility. During any abatement period the family continues to be responsible for its share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.	HABC shall abate the HAP, including amounts that had been withheld, if the owner fails to make the repairs within the applicable cure period. In this case, HABC shall notify the family and the owner that it is abating payments and, if the unit does not meet inspections standards within 60 days (or a reasonable longer period established by HABC), HABC will terminate the HAP contract for the unit and the family will have to move to receive continued assistance. The owner may not terminate the tenancy of any family due to the withholding or abatement of assistance. During any abatement period the family continues to be responsible for its share of the rent.
HAP Contract Termination	HABC will notify the family and issue the family a voucher to move when a unit has been in abatement for 30 days. Generally, HABC will terminate a HAP contract when a unit has been in abatement for 90 days; however HABC will also factor into the HAP termination determination, the nature of the violation, the extent of the repairs and the good faith of the landlord in attempting to make said repairs. HABC will make an effort to not terminate the HAP contract until the family finds another unit,	If the unit fails to meet inspections standards within 60 days (or a reasonable longer period established by HABC) of the notice of abatement, HABC will terminate the HAP contract for the unit and the family will have to move to receive continued assistance. In this case, HABC shall issue the family its voucher to move at least 30 days prior to the termination of the HAP contract. The family will be given at least 90 days (or a longer period as HABC determines is reasonably necessary)

Topic	Policy	
	HAP contracts executed or renewed June 5, 2024, or earlier	**HAP contracts executed or renewed June 6, 2024, or later**
	provided the family does so in a reasonable time. The maximum length of time that HAP may be abated is 90 days. However, if the owner completes corrections and notifies HABC before the termination date of the HAP contract, HABC may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.	following the termination of the HAP contract to lease a new unit. If the family is unable to lease a new unit within the period provided by HABC and there are no PBV or RAD PBV units of appropriate size to offer to the family, then HABC shall offer, and, if accepted, provide the family a selection preference for an appropriate-size public housing unit that first becomes available for occupancy after the time period expires.
Family Compliance – Tenant-Caused Deficiencies		
Enforcing Family Compliance	Families are responsible for correcting any deficiencies listed in the Family Responsibilities. If the family fails to correct a violation within the period allowed by HABC (and any extensions), HABC will terminate the family's assistance in accordance with HABC policy. If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair.	**If HABC waived the landlord responsibility for NSPIRE deficiencies that have been determined to have been caused by the tenant, the family is responsible for correcting the deficiencies.** If the family fails to correct a deficiency within the period allowed by HABC (and any extensions), HABC will terminate the family's assistance, according to HABC's policies. If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair and may enter into a repayment agreement with the family.

CHAPTER 10: LEASING AND REASONABLE RENT

10.1 INTRODUCTION

HABC program operations are designed to utilize available resources in a manner that is efficient and provides eligible families timely assistance based on the number of units that have been budgeted. HABC objectives include maximizing HUD funds by providing assistance to as many eligible families and for as many eligible units as the budget will allow.

After families are issued a voucher, they may search for a unit anywhere within HABC's area of jurisdiction, or outside of HABC jurisdiction if they qualify for portability. The family must find an eligible unit under the program rules, with an owner/landlord who is willing to enter into a Housing Assistance Payments (HAP) contract with HABC.

This chapter defines the types of eligible housing, HABC policies that pertain to initial inspections, lease requirements, owner disapproval, and the processing of Requests for Tenancy Approval (RFTA).

10.2 OWNER SCREENING OF PROSPECTIVE TENANTS

HABC has no liability or responsibility to the owner or other persons for the family's behavior for tenancy. The owner is responsible for screening and selection of the family to occupy the owner's unit. HABC informs owners that screening and selection for tenancy is the responsibility of the owner.

HABC provides prospective owners with the family's current and prior address (as shown in HABC records), and the name and address (if known to HABC) of the landlord at the family's current and prior address.

HABC does not provide prospective landlords any additional information related to screening the tenant.

10.3 REQUEST FOR TENANCY APPROVAL (RFTA)

Once a family finds a suitable unit, the family and/or owner/agent must submit the completed Request for Tenancy Approval (RFTA) and other documents as deemed necessary by HABC's MTW requirements. The RFTA must be submitted in the form and manner required by HABC. The owner and voucher holder must sign the RFTA. HABC will not permit the family to submit more than one RFTA at a time, nor will HABC permit a landlord to complete more than one RFTA per unit at a time.

HABC will review the RFTA documents to determine whether or not they are approvable. The request will be approved if:

- The unit is an eligible type of housing;
- The unit meets HABC's NSPIRE housing quality standards;
- The rent is reasonable;
- The security deposit is in accordance with any State and local laws and regulations;
- The proposed lease complies with HABC's MTW requirements and Fair Housing laws;
- The owner is approvable, and there are no conflicts of interest (see the chapter on **OWNER POLICIES**); and

- The RFTA does not conflict with the goals or interests of HABC or Housing Choice Voucher Program participants.

At the time a family initially receives assistance in a unit (new admissions and moves), the family share of rent may not exceed 40 percent of the monthly adjusted income (when the gross rent for the unit exceeds the applicable payment standard).

10.3.1 Tenancy Addendum

All provisions in the HUD-required Tenancy Addendum must be added word-for-word to the owner's standard lease form. The Tenancy Addendum includes the HUD requirements for the tenancy. Because it is a part of the lease, the tenant shall have the right to enforce the Tenancy Addendum against the owner. If there is a conflict between the owner's lease and the Tenancy Addendum, the terms of the Tenancy Addendum shall prevail over any other provisions of the lease.

10.3.2 Proof of Ownership

HABC uses the Maryland tax assessors' database to confirm ownership prior to approving a Request for Tenancy Approval but may also collect other acceptable documentation of legal ownership of the unit.

HABC will only enter into a contractual relationship with the legal owner of a qualified unit. No tenancy will be approved without acceptable documentation of legal ownership (e.g., deed of trust, proof of taxes for most recent year).

When owners use a management agency, HABC will require the owner to submit the Management Agreement Affidavit.

10.3.3 Disapproval of RFTA

If HABC determines that the request cannot be approved for any reason, the landlord and the family will be notified. HABC will instruct the owner and family of the steps that are necessary to approve the request, if applicable. When, for any reason, an RFTA is not approved, HABC will furnish a new RFTA form to the family along with the notice of disapproval so that the family can continue to search for eligible housing.

10.4 ELIGIBLE AND INELIGIBLE TYPES OF HOUSING

Generally, a voucher-holder family may choose any available dwelling unit on the market in HABC's jurisdiction, except as prohibited below. This includes the dwelling unit they are currently occupying.

Ineligible Housing Types

HABC may not permit a voucher holder to lease a unit:

- That receives project-based Section 8 assistance or any duplicative rental subsidies;
- In public housing or Indian housing;
- In a nursing home, board and care home, or a facility providing continual psychiatric, medical or nursing services;
- In colleges or other school dormitories;
- On the grounds of penal, reformatory, medical, mental- and similar public or private institutions; and/or

- Occupied by its owner, or by a person with any interest in the unit.

10.4.2 Special Housing Types

Except for Veterans Affairs Supportive Housing (VASH) households, families will not be permitted to use their voucher to lease any of the following special housing types, unless needed as a reasonable accommodation.

- Congregate housing;
- Group home;
- Shared housing;
- Manufactured home;
- Cooperative housing (excluding families that are not cooperative members);
- Homeownership option.
    - However, for more information about HABC's MTW Homeownership program, see the **HOMEOWNERSHIP** chapter.

In the event that, as a reasonable accommodation or for a VASH family, a family is permitted to use any of the above special housing types, HABC will follow the applicable regulatory requirements in 24 CFR 982 Subpart M: Special Housing Types, the HUD guidebook chapter on Special Housing Types, and any additional resources provided by HUD.

10.4.3 Single Room Occupancy (SRO)

HABC will permit households to use their voucher to lease single room occupancy (SRO) units, unless the unit is already subsidized by another program (i.e., Moderate Rehabilitation SRO program) or is otherwise ineligible housing as described above.

An SRO unit provides living and sleeping space for the exclusive use of the occupant but requires the occupant to share sanitary and/or food preparation facilities with others. More than one person may not occupy an SRO unit.

When providing HCV assistance in an SRO unit, a separate lease and HAP contract are executed for each assisted person, and the standard form of the HAP contract is used.

Payment Standard, Utility Allowance, and HAP Calculation

For SRO housing:

- The payment standard is 75 percent of the zero-bedroom payment standard amount on HABC's payment standard schedule;
- The utility allowance is 75 percent of the zero-bedroom utility allowance; and
- The HAP is the lower of:
    - The SRO payment standard amount minus the TTP, or
    - The gross rent for the unit minus the TTP.

Inspections

The requirements described within this chapter on

10.5 TENANT RENT AND SUBSIDY DETERMINATION

Once the TTP has been established, HABC will calculate the HABC subsidy / Housing Assistance Payment (HAP), the tenant rent, and utility reimbursement, if applicable.

10.5.1 Family Share

The family share is the family's contribution toward the gross rent.

For a family selecting a unit where the gross rent is at or below the payment standard for the family, the family share will be the same as the TTP.

For a family selecting a unit where the gross rent exceeds the payment standard for the family, the family share is the TTP plus any amount by which the gross rent exceeds the payment standard.

10.5.2 Maximum Initial Rent Burden

At initial occupancy and upon transfer to a new unit, HABC will not approve the tenancy if the gross rent is above the payment standard resulting in a family share that exceeds the maximum initial rent burden, which is 40 percent of adjusted monthly income, even if the rent is reasonable.

HABC may approve a unit if the gross rent is above the payment standard, but does not result in a tenant portion that exceeds the 40 percent of monthly adjusted income.

10.5.3 HABC Subsidy/Housing Assistance Payment (HAP)

HABC will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of:

- The applicable payment standard for the family minus the family's TTP, or
- The gross rent for the family's unit minus the TTP.

The gross rent for the unit is the sum of the approved contract rent and the applicable utility allowance. See **UTILITY ALLOWANCE** for more information.

10.5.4 Proration of Assistance For "Mixed" Families

Pro-ration of assistance must be offered to any *mixed* applicant or participant family. A *mixed family* is one that includes at least one U.S. citizen/national or eligible immigrant and any number of ineligible members.

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percent of the family members who actually are eligible.

HOUSING QUALITY STANDARDS AND INSPECTIONS apply to SRO with the exception of sanitary facilities, and space and security characteristics, which must meet local code standards for SRO housing. Where there are no applicable local codes for SRO housing, the requirements under 24 CFR 982.605(b) apply for sanitary facilities, and space and security characteristics. All SROs are subject to the requirements concerning access and sprinkler systems as outlined in 24 CFR 982.605(b).

Because no children live in SRO housing, the inspection standards applicable to lead-based paint do not apply.

10.6 LEASE REVIEW

The family and the owner must execute and enter into a written lease for the assisted unit. This written lease is a contract between the tenant family and the owner; HABC is not a party to the contract.

HABC will review the lease, particularly noting the compliance of optional charges with program regulations and overall compliance with regulations and state and local law.

The participant also must have legal capacity to enter into a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Responsibility for utilities, appliances and optional services must correspond to those provided on the Request for Tenancy Approval.

The family and owner must submit a standard form of lease used in the locality by the owner and that is generally used for other unassisted tenants in the premises. The terms and conditions of the lease must be consistent with state and local law. The term of the lease may not be less than one year and may not exceed two years.

The lease must specify and include the following:

- Names of the owner, landlord and/or the property management company and names of the tenant and of all occupants of the assisted unit;
- Address of the unit rented (including apartment number, if any);
- Amount of the total contract rent;
- Move-in date and the start and end dates of the lease term;
- Utilities and appliances that are the owner's responsibility;
- Utilities and appliances that are the family's responsibility;
- No additional fees outside of lease terms;
- Dated signatures; and
- Lead disclosure (if applicable).

The HUD prescribed **Tenancy Addendum** must be included in the lease word-for-word before the lease is executed.

Effective September 15, 2000, the owner's lease must include the Lead Warning Statement and disclosure information required by 24 CFR 35.92(b).

The lease must provide that drug-related criminal activity, arrests and/or convictions, as engaged in by the tenant, any household member, or any guest on or near the premises or any person under the tenant's control on the premises are grounds to terminate tenancy. The lease must also provide that owner may evict the family when the owner determines that:

- Any household member is illegally using a drug; and
- A pattern of illegal use of drug by any household member interferes with the health, safety or right to peaceful enjoyment of the premises by other residents.

Generally HABC is not required to execute a new HAP contract for changes in the lease, however, the following circumstances will require the family to submit a new RFTA and a new HAP contract will be required:

- Changes in the lease regarding tenant and owner responsibilities for utilities and appliances;
- Changes in lease provisions governing the terms of the lease; and
- The family moves to a new unit, even if the unit is in the same building or complex.

Where the owner is requesting a rent increase, HABC will determine whether the requested increase is reasonable and the owner and family will be notified of the determination in writing. A new HAP contract is not required for a rent increase.

10.6.1 RFTA Required Documents

Below is a listing of documentation that may be requested of new and existing owners prior to the execution of any new HAP contract. Any required documentation must be submitted before the beginning of the initial lease term for a unit and prior to execution of the HAP contract. Failure to submit any of the required documentation within a reasonable timeframe as specified by HABC may result in denial or termination of a HAP contract. HABC must inspect the unit to determine the unit satisfies the housing quality standards.

- HABC must determine that the rent charged by the owner is reasonable.
- The owner may be required to provide the following documentation:
    - HUD-prescribed Request for Tenancy Approval form;
    - For properties constructed prior to 1978, a Certificate from the Maryland Department of the Environment (MDE), Lead Prevention Program;
    - Government-issued photo ID (a clear copy) for the owner and for the person signing on behalf of the owner (HABC can accept agent/property manager's work ID);
    - Rental Property License and Registration Confirmation from Baltimore City Department of Housing & Community Development (DHCD);
    - Management Authorization Form if property is managed by another entity;
    - Joint Property Ownership Authorization form if applicable;
    - Employer Identification Number (EIN) on IRS letterhead (for business payee) or Social Security card (for individual payee);

- An employer identification number or Social Security number, and a home or business phone number;
- Tax Identification Number on IRS letterhead or official SSA or IRS documents;
- W-9 Tax forms;
- Use & Occupancy Certificate if new construction or substantial rehab; If ownership cannot be validated through third-party verification, the owner must submit proof of ownership of the property, such as a grant deed or tax bill, or executed HUD-1 Settlement Sheet;
- HABC's Electronic Direct Deposit Request Form (will require voided check or bank account verification letter);
- Letter of authorization on letterhead verifying the person signing HABC documentation has the authority to do so;
- For estates, please provide a Death Certificate, State of Maryland Letters of Administration, and proof of the EIN for the estate;
- Property Owner Certification form.

- Owner must confirm active and legal utility service through Inspection process.
- The landlord and the tenant must have executed the lease, including the HUD-prescribed tenancy addendum.
- HABC must leasing of the unit in accordance with program requirements.
- When the gross rent exceeds the applicable payment standard for the family, HABC must determine that the family share (total family contribution) will not be more than 40% of the family's monthly adjusted income at initial lease up or when moving to a new unit, unless approved as a reasonable accommodation.

10.6.2 Separate Agreements

Separate agreements are not necessarily illegal side agreements. Families and owners will be advised of the prohibition of illegal side payments for additional rent, or for items normally included in the rent of unassisted families, or for items not shown on the approved lease. The family is not liable under the lease for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction. Owners and families may execute separate agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease; however HABC is not a responsible party in this type of agreement.

Any appliances, services or other items that 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.

In order to enter into a separate agreement, the family must have the option of not utilizing the service, appliance or other item. If the family and owner have come to a written agreement on the amount of allowable charges for a specific item, so long as those charges are reasonable and not a substitute for higher rent, they will be allowed. All agreements for special items or services must be attached to the lease

approved by HABC. If agreements are entered into at a later date, they must be approved by HABC and attached to the lease.

10.7 INITIAL INSPECTIONS

In order to be eligible, the dwelling unit must be in safe and habitable condition. This determination is made using HUD's National Standards for the Physical Inspection of Real Estate (NSPIRE) and/or equivalent state of local standards approved by HUD. See

10.7.1 Unit Size

In order to be eligible, the dwelling unit must be appropriate for the number of persons in the household. Families are allowed to lease an otherwise acceptable dwelling unit with fewer bedrooms than the number of bedrooms stated on the voucher issued to the family, provided the unit meets the applicable NSPIRE space requirements. Families are not permitted to lease a unit with more bedrooms than the number of bedrooms stated on the voucher issued to the family.

10.8 RENT LIMITATIONS

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

By accepting each monthly housing assistance payment from HABC, the owner certifies that the contract is not more than rent charged by the owner for comparable unassisted units in the premises. The owner may be required to provide HABC with information requested on rents charged by the owner on the premises or elsewhere.

At all times during the tenancy, the rent to owner may not be more than the most current reasonable rent as determined by HABC.

10.8.1 Disapproval of Proposed Rent

In any of the programs, if the proposed gross rent is not reasonable, at the family's request, HABC will negotiate with the owner to reduce the rent to a reasonable rent. If, in the voucher program, the rent is not affordable because the family share would be more than 40 percent of the family's monthly adjusted income, HABC will negotiate with the owner to reduce the rent to an affordable rent for the family.

If the rent can be approved after negotiations with the owner, HABC will continue processing the RFTA and lease. The owner must submit a new RFTA when the revised rent involves a change in the provision of utilities. If the owner does not agree on the rent to owner after HABC has tried and failed to negotiate a revised rent, HABC will inform the family and owner that the lease is disapproved.

10.8.2 Information to Owners

HABC will furnish prospective owners with the family's current address as shown in HABC records and, if known to HABC, the name and address of the landlord at the family's current and prior address. HABC will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection (under VAWA and/or IVIW protections).

HABC will inform owners that it is the responsibility of the landlord to determine the suitability of prospective tenants. Owners will be encouraged to screen applicants for rent payment history, payment of utility bills, eviction history, respecting the rights of other residents, damage to units, drug-related criminal activity or other criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

HABC will also acknowledge that the family and adult members have been checked for criminal activity.

A statement of HABC policy on release of information to prospective landlords will be included in the briefing packet that is provided to the family.

Where HABC is an applicant's prior landlord, HABC will provide information, based on documentation in the tenant folder that includes eviction history, any record of damage to rental units and other aspects of tenancy history. Only the Public Housing Manager or designee may provide this information. HABC policy on providing information to owners is included in the briefing packet and will apply uniformly to all families and owners.

10.8.3 Owner Disapproval

See **OWNER** .

10.8.4 Change in Total Tenant Payment (TTP) Prior to HAP Execution Date

When the family reports changes in factors that will affect the total family share prior to the effective date of the HAP contract at admission, the information will be verified, and the total family share will be recalculated. If the family does not report any change, HABC need not obtain new verifications before signing the HAP contract. For moves, if there is any change in income or family composition reported by the family prior to the new lease effective date, HABC will verify and address the change.

10.9 CONTRACT EXECUTION PROCESS

HABC prepares the Tenant Acknowledgement (for voucher holders only), the Housing Assistance Payment (HAP) contract, the Move-In Authorization, and a review of the lease prior to execution. HABC may decline to approve tenancy if HABC determines that the lease does not comply with State or Local law. Once approved, the family and the owner will execute the lease agreement, and the owner and HABC will execute the HAP contract. Copies of the documents will be furnished to the parties who signed the respective documents. HABC will retain a copy of all signed documents.

After successful contract negotiations, HABC may commence payments to the owner. The Senior Vice President may approve, in writing, move-in authorization prior to execution of the HAP contract. Such written authorization will include a rent effective date and a HAP start effective date and the agreed upon rent. No payments will be made, however, until the HAP contract has been executed.

HABC requires information (see **RFTA Required Documents**) from the landlord or the authorized agent/representative, in order to execute the HAP contract.

Unless their lease was effective prior to June 17, 1998, a family may not lease properties owned by a parent, child, grandparent, grandchild, sister or brother of any family member. HABC may waive this restriction as a reasonable accommodation for a family member who is a person with a disability.

If HABC has given approval for the family of the assisted tenancy, the owner and HABC must execute the HAP contract not later than 60 days from the effective date of the lease.

10.9.1 HAP Contract Payments

At the beginning of each month during the term of the HAP contract, and subject to the provisions of the HAP contract, HABC will make monthly HAP payments to the owner on behalf of the family. If a lease term begins after the first of the month, the HAP payment for the first month is prorated for a partial month.

HABC will not pay any housing assistance payment to the owner until the HAP contract has been executed.

Any HAP contract executed after the 60-day period is void, and HABC may not make any housing assistance payments to the owner. HAP payments can be made only during the lease term, and only while the family is residing in the unit.

The monthly HAP payment by HABC is credited toward the monthly rent to owner under the family's lease. The total of the rent paid by the tenant plus the HABC HAP payment should be equal to the rent specified in the lease (the rent to owner).

The family is not responsible for payment of the HAP payment, and HABC is not responsible for payment of the family share of rent.

The owner may not demand or accept any rent payment from the tenant in excess of this maximum. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises.

If the owner receives any excess HAP from HABC, the excess amount must be returned immediately. If HABC determines that the owner is not entitled to all or a portion of the HAP, HABC may deduct the amount of overpayment from any amounts due to the owner, including amounts due under any other Section 8 HCV HAP contract.

10.9.2 Owner Certification Compliance

Unless the owner complies with all provisions of the HAP contract, the owner is not entitled to receive housing assistance payments under the HAP contract.

By endorsing the monthly check or receiving the HAP deposit from HABC, the owner certifies to compliance with the terms of the HAP contract. This includes certification that:

- The owner is maintaining the unit and premises in accordance with NSPIRE;
- The contract unit is leased to the tenant family and, to the best of the owner's knowledge, the family resides in the unit as the family's only residence;
- The rent to owner does not exceed rents charged by the owner for comparable unassisted units on the premises; and
- The owner does not receive (other than rent to owner) any additional payments or other consideration for rent of the contract unit during the HAP term.

10.9.3 Termination of HAP Contracts and Payments

The HAP contract and the housing assistance payments made under the HAP contract may be terminated if:

- The owner or the family terminates the lease;
- The lease expires;
- HABC terminates the HAP contract;
- HABC terminates assistance for the family;
- The family moves from the assisted unit. In this situation, the owner is entitled to keep the housing assistance payment for the month when the family moves out of the unit;
- 180 days have elapsed since HABC made the last housing assistance payment to the owner;

- The family is absent from the unit for longer than the maximum period permitted by HABC;
- The Annual Contributions Contract (ACC) between HABC and HUD expires; or
- HABC elects to terminate the HAP contract.

HABC may elect to terminate the HAP contract in each of the following situations:

- Available program funding is not sufficient to support continued assistance for households in the program;
- The unit does not meet NSPIRE size requirements due to a change in family composition;
- The unit does not meet NSPIRE requirements;
- The family breaks up; or
- The owner breaches the HAP contract.

If HABC terminates the HAP contract, HABC will give the owner and the family written notice. The notice will specify the reasons for the termination and the effective date of the termination. Once a HAP contract is terminated, no further HAP payments may be made under that contract.

In all cases, the HAP contract terminates at the end of the calendar month that follows the calendar month in which HABC gives written notice to the owner. The owner is not entitled to any housing assistance payment after this period, and must return any housing assistance payment received after this period to HABC.

If the family moves from the assisted unit into a new unit, even if the new unit is in the same building or complex as the assisted unit, the HAP contract for the assisted unit terminates. A new HAP contract would be required.

If the family moves out of the unit, HABC may not make any housing assistance payment to the owner for any month after the month the family moves out. The owner may keep the housing assistance payment for the month when the family moves out of the unit.

The owner must inform HABC when the owner has initiated eviction proceedings against the family and the family continues to reside in the unit.

If the owner has commenced the process to evict the tenant and the family continues to reside in the unit, HABC must continue to make housing assistance payments to the owner in accordance with the HAP contract until the owner has obtained a court judgment or other process allowing the owner to evict the tenant. HABC may continue such payments until the family moves from, or is evicted from the unit, whichever is earlier.

The owner must inform HABC when the owner has obtained a court judgment or other process allowing the owner to evict the tenant, and provide HABC with a copy of such judgment or determination. The owner must inform HABC of the date when the family actually moves from the unit or the family is physically evicted from the unit.

10.9.4 Breach of HAP Contract

Any of the following actions by the owner constitutes a breach of the HAP contract:

- The owner violates any obligations under the HAP contract including failure to maintain the unit in accordance with NSPIRE;
- The owner violates any obligation under any other HAP contract under Section 8 of the U.S. Housing Act of 1937;
- The owner commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- Owner non-payment of property taxes;
- For projects with mortgages insured by HUD or loans made by HUD, if the owner fails to comply with the regulations for the applicable program; or if the owner commits fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan;
- The owner engages in drug-related criminal activity; or
- The owner commits any violent criminal activity.

If HABC determines that a breach of the HAP contract has occurred, it may exercise any of its rights and remedies under the HAP contract.

HABC rights and remedies against the owner under the HAP contract include:

- Recovery of any HAP overpayment;
- Suspension of housing assistance payments;
- Abatement of housing assistance payments;
- Reduction of the housing assistance payment;
- Termination of the payment; or
- Termination the HAP contract.

HABC may also obtain additional relief by judicial order or action.

HABC will notify the owner of its determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. HABC will provide the owner with written notice of any reduction in housing assistance payments or the termination of the HAP contract.

10.9.5 Owner Claims of Unpaid HAP

HABC will investigate claims by owners/agents of unpaid HAP provided that the alleged incident occurred not more than six (6) months previous to the owner/agent's submission of the claim with HABC. Claims will be processed as follows:

- HABC will investigate the claim and issue a decision within ninety (90) calendar days of the date the claim was submitted;
- HABC's decision may be appealed to the Senior Vice President or designee in writing within fifteen (15) calendar days of the decision;
- A final response will be rendered within thirty (30) calendar days of the appeal.

10.10 RENT REASONABLENESS DETERMINATIONS

HABC will determine and document that the approved rent is reasonable in comparison to rent for other comparable unassisted units in the market. HABC will not approve a lease until HABC determines that the initial rent to owner is a reasonable rent.

HABC may re-determine the reasonable rent at the following times, including but not limited to:

- Before any increase in the rent to owner.
- If there is a ten percent (10%) decrease in HABC's payment standard in effect sixty (60) days before the contract anniversary (for the unit size rented by the family) as compared with HABC's payment standard in effect one year before the contract anniversary.
- Based on a need identified by HABC's auditing system.
- Upon request by HUD.

HABC may elect to re-determine rent reasonableness at any other time. At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or re-determined by HABC. The owner will be advised that by accepting each monthly housing assistance payment he/she will be certifying that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises.

10.10.1 Rent Reasonableness Methodology

MTW Policy

HABC utilizes a modified rent reasonableness policy to reflect market conditions and streamline the process for determining reasonable rent at the time of new admission or when moving to another unit. Specifically, HABC utilizes rent ranges, by submarket and by bedroom size, to determine rent reasonableness and adjusts the rent ranges to reflect market conditions in its jurisdiction. Additionally, HABC will apply the statistics from the Consumer Price Index for the Baltimore-Columbia-Towson area for all Urban Consumers to adjust the rent ranges used in HABC's rent reasonable rent range tables. HABC may also opt to update the market analysis to reset the rent ranges.

HABC utilizes commercially available rent reasonableness systems (i.e., AffordableHousing.com and other rental platforms) that generate and maintain an appropriately sized, up-to-date database of market-based comparable units in the subject market area; provides the analytical tools to analyze rent requests; and provides outcomes and supportable documentation which meet HUD rent reasonableness requirements.

HABC may adjust the system-generated comparable rent when and if unit conditions are not fully represented in the system generated comps (i.e., if a unit is significantly upgraded or in a superior neighborhood). Additionally, upon owner request and provision of relevant documentation (i.e., additional comparable unit rents or unit feature updates) HABC may review the reasonable rent determination and update the reasonable rent.

In FY2022, HABC began phasing in the implementation of a new process (MTW Policy) for determining reasonable rents using a market rent study that assessed existing market rents and housing market trends in Baltimore City. By the end of 2022, HABC fully implemented this rent study program wide. The rent

study establishes submarkets within Baltimore City and rent ranges that are used to ensure HABC remains competitive in the housing market by offering current rental rates, reducing leasing timeframes, and increasing landlord participation in the HCV program.

Reasonable Rent and HABC-Owned Units

> ***MTW Policy***
>
> HABC has waived the requirement for an independent agency to conduct rent determinations for units owned by HABC (including a unit owned by an entity substantially controlled by HABC). HABC will determine rent reasonableness in accordance with program requirements and to assist the family in negotiating the contract rent when the family requires assistance.

10.11 PAYMENT STANDARDS

> ***MTW Policy***
>
> HABC establishes its payment standards based on the 50th percentile FMRs.
>
> HABC may establish multiple voucher payment standards within its jurisdiction. For each area, HABC will establish payment standard amounts for each *unit size*. This practice will both ensure that the Housing Choice Voucher Program will not artificially inflate market rents within its jurisdiction and provide opportunity to expand housing outside areas of minority or poverty concentration. Payment standards assigned are within the established and approved MTW range. HABC may increase the payment standards for opportunity submarkets to an amount no greater than 135% of FMR; however, this ceiling may be adjusted from time to time to reflect market rents in the opportunity areas.
>
> HABC may approve a higher exception payment standard if required as reasonable accommodation for a family that includes a person with disabilities or to meet specific agency needs and/or goals.
>
> These policies apply to both the tenant-based and project-based programs.

10.11.1 Adjustments to Payment Standards

> ***MTW Policy***
>
> Payment standards may be adjusted, within MTW regulatory limitations, to increase housing assistance payments (HAP) in order to keep families' rents affordable. In addition, HABC may apply payment standards outside of the regulatory range to support leasing in revitalized areas and opportunity neighborhoods. HABC will not raise payment standards solely to make *high end* units available to voucher holders.
>
> This payment standard policy applies to both tenant-based and project-based rents.

10.11.2 Adjustment Methodology

HABC will establish a separate voucher payment standard, within the basic range, for designated areas of its jurisdiction. These standards will be established if HABC determines that a higher payment standard is needed in these areas in order to provide families with quality housing choices and to give families an

opportunity to move outside areas of high poverty and low-income concentrations. If it is determined that particular areas or unit sizes in HABC's jurisdiction have payment standard amounts that are creating rent burdens for unsubsidized families, HABC will modify its payment standards for those particular locations and unit sizes.

10.11.3 Raising and Lowering of the Payment Standard

Before increasing the payment standard, HABC may review the budget to determine the impact projected subsidy increases would have on funding available for the program and number of families served. For this purpose, HABC will compare the number of families who could be served under a higher payment standard with the number assisted under current payment standards.

Lowering of the FMR may require an adjustment of the payment standard. Additionally, statistical analysis may reveal that the payment standard should be lowered. In any case, the payment standard will not be set below 90% of the FMR without authorization from HABC's board.

MTW Policy

When the payment standard goes down between the date the RFTA is submitted and the lease effective date, HABC will apply the higher payment standard in effect when the RFTA was submitted. This policy will apply to leasing for new admissions and moves.

Additionally, HABC updates the voucher size and payment standard at the certification when family composition changes are reported.

Hold Harmless Policy

When the applicable payment standards decrease, HABC will adopt the Housing Opportunity through Modernization Act of 2016 (HOTMA) Hold Harmless Policy. The Hold Harmless Policy provides that if the payment standard changes, resulting in lower payment standard amounts and increased tenant portions, HABC will not reduce the standard used to calculate the subsidy for families already under HAP contract at the time of the decrease.

The Hold Harmless Policy allows families who remain in their unit to maintain their current payment standard for as long as they remain in that same unit, or until the payment standard increases. New admissions and families that move from their existing units into new units will have the applicable decreased payment standards applied to their new HAP contracts. Applying this policy provides protection to HABC families so that their payment standard will not decrease while living in their current units.

10.11.4 File Documentation

Records will be retained by HABC for at least three years to document the analysis and findings to justify whether or not the payment standard was changed.

10.12 REQUEST FOR RENT ADJUSTMENTS

The following policy applies to owners of units occupied by participants with tenant-based vouchers and owners of units assisted with project-based vouchers. The owner is required to request a rent adjustment, via the HCVP Owner Portal, at least sixty (60) but no more than ninety (90) calendar days before the anniversary date of the HAP contract. Any approved rent adjustment will become effective no sooner than sixty (60) calendar days after the owner's request is received.

MTW Policy

HABC may place a cap on contract rent increases for assisted tenant-based and project-based units. The application of the rent cap will be dependent on market conditions and will be subject to a reasonable rent determination.

Upon HUD approval, owners may be permitted a reasonable rent review to dispute a denied or modified rent increase request only if the two following conditions are met:

1. The voucher holder has been living in the unit for a minimum of 3 years; and

2. The original contract rent prior to any adjustment is at least 10% below the highest end of the submarket rent range.

The owner will be required to submit supporting, comparable unit to appeal the decision.

The approval or disapproval decision regarding the rent adjustment will be based on a rent reasonableness determination. The rent adjustment may result in an increase or a decrease in the HAP to the owner or the tenant rent to owner.

Utility changes can only be requested at the time of a rent adjustment. After approval of the request, a new lease and HAP contract will need to be executed.

No more than one rent adjustment will be granted in any twelve (12)-month period. No rent adjustment will be authorized within the initial lease term.

The rent to owner for a unit will not be adjusted unless the owner has complied with all requirements of the HAP contract, including compliance with NSPIRE.

To request a rent adjustment, the owner is required to submit a request via the HCVP Owner Portal.

Rent adjustments are effective on the first of a specified month.

Low Income Housing Tax Credit Unit (LIHTC) properties will need to provide a regulatory agreement and a HUD-92458 (rent schedule) for all rent adjustment requests. If the property is no longer following the LIHTC guidelines, supporting documentation will need to be provided.

Notwithstanding any of the above, HABC may suspend rent adjustments or take other rent-related actions if funds required to pay for those adjustments or current rent amounts are not available. HABC shall make every effort to minimize the effects of such actions.

10.13 LEASING INCENTIVES

10.13.1 Landlord Leasing Incentives

MTW Policy

Through this MTW Activity, HABC provides leasing incentives to owners to increase the number of units in Opportunity Neighborhoods, increase the number of new construction units, new leased units, accessible units, and new owners on the program.

To support and encourage owner participation in the HCVP, the Landlord Leasing Incentives also provide vacancy and damage payments to owner's payable under defined

circumstances. HABC will cap the spending on this activity in the first year and pending the response to this activity HABC may revise the program caps in future years.

HABC will provide the following under the Landlord Leasing Incentives:

- A $750 one-time incentive for a new unit in an *Opportunity Neighborhood*. An *Opportunity Neighborhood* is a submarket which has been identified as a strong or sound neighborhood based on an HABC-commissioned study reflecting key indicators of opportunity including: poverty rate, school quality index, crime, diversity, transportation access and labor market conditions. HABC has posted a map on its website which identifies Opportunity Neighborhoods.
- A $500 one-time incentive for a new HCV program unit. *New Unit* refers to a unit which has never been leased under the HCV program or was last leased under the HCV program five or more years ago.
- A $500 one-time incentive to a new owner who leases an HCV unit. *New Owner* refers to an owner who has never previously leased a unit under the HCV program or who had last leased a unit under the HCV program five or more years ago. The new owner must enter into a new Housing Assistance Payment (HAP) contract.
- A $500 one-time incentive for a new accessible dwelling unit. A *new accessible dwelling unit* is defined as a new unit that is located on an accessible route and can be approached, entered, and used by individuals with physical disabilities and is otherwise in compliance with Uniform Federal Accessibility Standards (UFAS).
- A $500 one-time incentive for a newly constructed unit. *Newly constructed* refers to a unit in which construction was completed within the past twenty-four (24) months. Where a new unit to the program is new construction, the owner will receive only the new construction incentive.
- The maximum incentive payment for any given unit is $1,500.
- Incentive payments are payable upon execution of the HAP contract.
- Where a unit had previously been leased by an HCV participant and there is a gap in leasing with the HCV program, HABC will not provide an incentive when and if the unit gets leased by a new HCV participant unless the gap is five or more years.

10.13.2 Security Deposit Assistance Program (SDAP)

MTW Policy

HABC will include Security Deposit Assistance for voucher holders who meet one or more of the following criteria.

- Required to move due to owner NSPIRE violations; and
- New admissions whose gross annual incomes are at or lower than the *very low income* limits as established by HUD.

HABC will provide security deposit assistance, up to the contract rent amount for eligible HCV families. This assistance opportunity will be provided once during the life of a family's participation in the HCV program. HABC will provide the security deposit directly to the owner; however, upon move out, the security deposit will go back to the family for use in leasing another unit. HABC is using this feature to provide incentives for voucher holders to maintain their units to ensure they can use the returned security deposit to move to another HCV unit, where applicable.

10.13.3 Vacancy and Damage Loss Payments

MTW Policy

HABC is authorized to provide vacancy and damage loss payment to eligible owners. These policies only apply to tenant-based vouchers (project-based vouchers have their own Vacancy Claims policy).

Vacancy Loss Payments:

- Vacancy loss payments will be made available to new owners whose tenants vacate the unit without notice or HABC authorization, prior to the end of their lease term.
- To qualify for the vacancy loss payment, the unit owner must re-rent the unit to another HCV family within 60 days from the date that the owner notifies HABC of move-out.
- Owners will be paid only for the length of time the unit was vacant, with a maximum payment equivalent to the lowest of two months of HAP or $3,000.
- In addition, HABC will only reimburse owners to the extent that the lost rent is not covered by the security deposit (after being applied to any damages).
- Finally, owners must demonstrate a good faith effort to re-rent the unit to another HCV family during the period of vacancy.
- Requests for vacancy claims must be submitted within 30 days of re-leasing of the unit.

Damage Loss Payments:

- HABC will provide damage loss payments equivalent to the lowest of two months of HAP or $3,000 for new owners to cover costs, beyond normal wear and tear, which are not covered by the security deposit, provided that the owner agrees to lease the unit to another HCV client within 60 days from the date that the owner notifies HABC of the damages.
- HABC will not reimburse for tools needed to repair damages, the landlord's personal time to repair damages or other activities related to the claim, items allegedly stolen, or damages not represented in a move-in/out condition report.
- Requests for damage claims must be submitted within 30 days of the tenant vacating the unit or owner re-taking possession. HABC will inspect the unit to validate the owner's damage claim.

CHAPTER 11: OWNER POLICIES

11.1 INTRODUCTION

It is the policy of HABC to recruit owners to participate in the voucher program. The term *owner* refers to any person or entity with the legal right to lease a unit to a household in the HCV program. HABC will provide owners with prompt and professional service in order to maintain an adequate supply of available housing throughout the jurisdiction of HABC. The regulations define when HABC must disallow an owner participation in the program, and they provide HABC 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. Change in Ownership policies and Restrictive Covenants are also addressed in this chapter.

11.2 BASIC OWNER RESPONSIBILITIES

The basic owner responsibilities according to HUD regulations are as follows:

- Perform all of the owner's obligations under the Housing Assistance Payments (HAP) contract and the lease;
- Perform all management and rental functions for the assisted unit, including selecting a voucher holder to lease the unit, and deciding if the household is suitable for tenancy of the unit;
- Maintain the unit in accordance with NSPIRE, including performance of ordinary and extraordinary maintenance;
- Comply with equal opportunity requirements;
- Prepare and furnish to HABC information required under the HAP contract;
- Collect from the household any security deposit, the tenant's contribution to rent (that part of rent to owner not covered by the housing assistance payment from HABC), and any charges for unit damage by the household;
- Enforce tenant obligations under the lease;
- Pay for utilities and services that are not the responsibility of the family as specified in the lease;
- Allow modifications to a dwelling unit occupied or to be occupied by a disabled person; and
- Comply with the Violence Against Women Reauthorization Act (VAWA) when screening and terminating tenants.

11.2.1 Disapproval of Owner

The owner does not have a right to participate in the program. For purposes of this section, *owner* includes a principal or other interested party.

HABC will disapprove of owner participation in the program for the following reasons:

- HUD has informed HABC that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR Part 24.
- HUD has informed HABC 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 or such action is pending.

- HUD has informed HABC that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other federal equal opportunity requirements.
- Unless their lease was effective prior to June 17, 1998, the owner may not be a parent, child, grandparent, grandchild, sister or brother of any family member. HABC will waive this restriction as a reasonable accommodation for a family member who is a person with a disability. In cases where the owner and tenant bear the same last name, HABC may, at its discretion, require the family and or owner to certify whether they are related to each other in any way. If relation is found by blood or marriage, HABC may deny owner approval.
- The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).
- The owner has committed fraud, bribery or any other corrupt act in connection with any federal housing program.
- The owner has engaged in drug-related criminal activity, violent criminal activity, or any other serious criminal activity.
- The owner is prohibited from being the families' payee for any federally subsidized program.
- The owner has a history or practice of non-compliance with housing quality standards for units leased under the tenant-based programs or with applicable housing standards for units leased with project-based assistance or leased under any other federal housing program.
- The owner has a history or practice of renting units that fail to meet State or local housing codes.
- The owner has a history or practice of failing to terminate the tenancy of participating residents of units assisted under the HCV program or any other federally assisted housing program for actionable offenses. These offenses include activity engaged in by the participant, any member of the participant's household, and/or any guest or another person under the control of any member of the household that:
    - Threatens the right to peaceful enjoyment of the premises by other residents;
    - Threatens the health or safety of other residents, of employees of HABC, or of owner employees or other persons engaged in management of the housing;
    - Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or
    - Is part of drug-related criminal activity or violent criminal activity
- The owner has not paid State or local real estate taxes, fines or assessments. The owner must be in compliance with the State Department of Assessment and Taxation.
- The owner has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD. The owner must be in compliance with Code Enforcement and Regulations.

11.2.2 Non-Discrimination

The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability, in connection with any actions or responsibilities under the HCV program and the HAP contract with HABC.

The owner must cooperate with HABC and with HUD in conducting any equal opportunity compliance reviews and complaint investigations in connection with the HCV program and the HAP contract with HABC.

11.3 OWNER RESTRICTIONS AND PENALTIES

11.3.1 Failure to Submit Required Ownership Documents

Owners that fail to provide required documentation within a reasonable timeframe, as specified by HABC, may be deemed to be in breach of the HAP contract. If HABC determines that a breach has occurred, HABC may exercise any of its rights and remedies for such a breach. HABC shall notify the owner of such determination, including a brief statement of the reasons for determination. The notice by HABC to the owner may require the owner take corrective action as verified or determined by HABC, by a deadline prescribed in the notice.

HABC's rights and remedies for owner breach of the HAP contract include recovery of overpayments, suspension of housing assistance payments, abatement or other reduction of housing assistance payments, and termination of the HAP contract. Even if the family continues to live in the contract unit, HABC may exercise any rights and remedies for owner breach of the HAP contract. HABC's exercise or non-exercise of any right or remedy for owner breach of the HAP contract is not a waiver of the right to exercise that or any other right or remedy at any time.

11.3.2 Board of Responsibility

If an owner has committed fraud or abuse or is guilty of frequent or serious contract violations, HABC will investigate the violation(s) and conduct an assessment of the infraction(s). HABC will take appropriate action, including but not limited to restricting the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. HABC may also terminate some or all contracts with the owner.

Before imposing any penalty against an owner, HABC 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.

See **PROGRAM INTEGRITY AND MONITORING** for guidance as to how owner fraud will be handled.

11.4 CHANGE IN OWNERSHIP

A change in ownership does not require execution of a new contract and lease.

HABC may transfer ownership of the HAP contract to a new owner, at the old owner's request. HABC may approve the transfer since they are a party to the contract. HABC may deny transfer of ownership of the HAP contract, for any of the reasons listed in the section on **Disapproval of Owner** in this chapter.

HABC will process a change of ownership only upon written notification by the previous owner, the previous property management company, or the current new owner. The request must be accompanied by a copy of the escrow statement or other document showing the transfer of title, recorded deed and the Employee Identification Number (EIN) or Social Security number (SSN) of the new owner.

The additional information required to complete a change in ownership is listed below:

1. Completed W-9 Form for deeded owner or managing agent (form may be obtained at www.irs.gov) as it is registered with the IRS.
2. Government issued photo identification (must be valid, clear, and legible) for the Property Owner, Managing Agent, or Authorized Signatory.
3. Proof of tax ID number (Social Security card or EIN notice from IRS).

4. Proof of ownership—a copy of the executed (signed) settlement papers, recorded deed, court documents, or documentation from the State Department of Assessments & Taxation (SDAT).
5. Management Agreement (if applicable).
6. Note: If a management agreement is being cancelled, a cancellation letter from the Management Company, or owner, must be submitted.
7. Owner and Management Company's current contact information including phone numbers and e-mail addresses.
8. Tenant's name and address.
9. Property registration and rental license (must be valid).
10. Completed Transfer of Ownership or Management Form.
11. Articles of Organization for LLC, Partnerships, or Corporations (if applicable).
12. Operating Agreement for LLC, Partnerships, or Corporations (if applicable).
13. Notarized Owner Affidavit (in lieu of photo ID, Property Management and Operating Agreements, and/or authorization letters)
14. Electronic Funds Transfer Request Form (Direct Deposit Form)—must include a voided check or bank account verification form (mandatory).
15. In cases where there is a joint ownership of the property, and the names of both partners will not be on the account, a written statement from both partners is required verifying the account set-up agreement.
16. For estates, please provide a Death Certificate, State of Maryland Letters of Administration, and proof of the EIN for the estate.
17. Business entities must be in good standing with the State of MD Department of Assessments & Taxation (SDAT) www.dat.maryland.gov.
18. Foreign Corporations (corporations not organized under the laws of Maryland) **must** be registered in the state of Maryland.
19. Owner **must** advise if business entity is registered and operating under a Trade Name or *Doing Business As* (DBA). The full legal name of the owner of business or individual using the Trade Name is **required**. Legal entities may be owners of the trade name. The legal entity **must** be registered with the State of Maryland Department of Assessments & Taxation (SDAT) www.dat.maryland.gov.

If the new owner does not want an assignment of the contract, HABC will terminate the existing HAP contract and if warranted execute a new HAP contract under the new ownership. The new owner may offer the family a new assisted lease; the family may elect to enter into the new lease or move to another unit. If the new owner declines participation in the program, and/or the family decides to move to another unit, a notice to vacate should be submitted, as required in the lease, and the family is responsible for getting a voucher to move.

11.5 RESTRICTIVE COVENANT PROHIBITION

HABC will not enter into a HAP contract with an owner whose property:

1. Received Federal, State, or local assistance to develop, construct or rehabilitate such property as an affordable homeownership unit; and
2. Is subject to an unexpired restrictive covenant prohibiting the homeowner from renting his or her home.

11.6 FORECLOSURE

Families receiving HCV assistance are entitled to certain protections set forth under the Protecting Tenants at Foreclosure Act (PTFA). During the term of the lease, the new owner of the property does not have good cause to terminate the tenant's lease, unless the new owner will occupy the unit as their primary residence and has provided the tenant with at least a 90-day notice. In that case, the lease may be terminated effective on the date of sale, although the tenant is still entitled to a 90-day notice to vacate. Further, the new owner assumes interest in the lease between the prior owner and the tenant and to the HAP contract.

Any state or local law that provides longer time periods or other additional protections for tenants also applies.

11.7 OWNER TERMINATION OF TENANCY

During the lease term, an owner shall not terminate the tenancy of an assisted household except for specific reasons. See **TERMINATION OF TENANCY BY THE OWNER** for specific policies on owner termination of tenancy.

CHAPTER 12: MOVES WITH CONTINUED ASSISTANCE

12.1 INTRODUCTION

Families are permitted to move with continued assistance to another unit within HABC's jurisdiction, or to a unit outside of HABC's jurisdiction under portability (as described in the **PORTABILITY** chapter of this Plan). MTW regulations also allow HABC the discretion to develop policies that define any limitations or restrictions on moves. This chapter defines the procedures for moves within HABC's jurisdiction, and the policies for restriction and limitations on moves.

12.2 ALLOWABLE MOVES

A family may move to a new unit within HABC's jurisdiction with continued assistance under the following circumstances:

- **Family Termination or Non-Renewal of Lease:** The tenant has given notice of lease termination (if the tenant has a right to terminate the lease on notice to the owner, for owner breach, or otherwise).
- **Owner Termination or Non-Renewal of Lease:** The owner has given the tenant a notice to vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the tenant.
- **Mutual Termination of Lease:** The lease has terminated by mutual agreement of the owner and the tenant.
- **HABC Termination:** HABC has terminated the HAP contract for the unit due to owner breach of contract.
- **VAWA:** The family or a member of the family, is or has been the victim of domestic violence, dating violence, sexual assault, stalking, and/or human trafficking and the move is needed to protect the health or safety of the family or family member, or if any family member has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's request to move.
- **Move Due to Unit Size:** HABC has determined that the family's current unit does not meet the NSPIRE space standards because of an increase in family size or a change in family composition. In such cases, HABC will issue the family a new voucher, and the family will try to find an acceptable unit as soon as possible.

12.3 RESTRICTIONS ON MOVES

HABC may deny permission to move in the following circumstances:

- The requested move is within the initial term of the lease.
- The household has had a prior move within the past twelve (12)-month period.
- The household has violated any of its Family Obligations under the HCV program or is pending termination of assistance.
- The head of household or a member of the household is delinquent on a debt owed to HABC.

- The household has a pending court resolution (documentation must be received by HABC verifying that the court procedures have commenced).
- There is insufficient funding for continued assistance.

The Senior Vice President of HCVP or their designee may make exceptions to these restrictions if there is an emergency reason for the move over which the participant has no control.

Additionally, HABC will, in appropriate instances, vary the above criteria in accordance with its Reasonable Accommodation or Violence Against Women Act Protections.

12.4 MOVES PROCEDURES

1. **Request to Move:** If a family wishes to move to a new unit, the family must notify HABC and the owner in writing before moving out of the old unit or terminating the lease on notice to the owner. If the family wishes to move to a unit outside HABC's jurisdiction, see **PORTABILITY.**
2. **Notice Requirements:** The family must follow HABC's Notice of Intent to Vacate procedures and specify a move-out date. Families must give the owner the required number of days' written notice of intent to vacate specified in the lease and must give a copy to HABC.
3. **Approval to Move:** Upon receipt of a family's notification that it wishes to move, HABC will confirm the owner's receipt of Intent to Vacate and determine whether the move is approvable in accordance with the regulations and policies set forth in in this Plan.
4. **Voucher Issuance and Briefing:** HABC will issue a new voucher when the move is approved. At HABC's discretion, no briefing may be required for these families. If a family does not locate a new unit within the term of the voucher and any extensions, the family may remain in its current unit with continued voucher assistance if the owner agrees and HABC approves.
5. **Submission of New Unit for Approval and Lease-Up of New Unit:** HABC will follow leasing policy listed in the **LEASING AND REASONABLE RENT** chapter.

See **REQUIRED MOVES FOR HEALTH AND SAFETY** REASONS for leasing policy concerning vouchers issued due to abatements.

12.5 HOUSING ASSISTANCE PAYMENTS

When a family moves out of an assisted unit, HABC may not make any housing assistance payment to the owner for any month after the month the family moves out. The owner may keep the housing assistance payment for the month when the family moves out of the unit.

If a participant family moves from an assisted unit with continued tenant-based assistance, the term of the assisted lease for the new assisted unit may begin during the month the family moves out of the first assisted unit. Overlap of the last housing assistance payment (for the month when the family moves out of the old unit) and the first assistance payment for the new unit, is not considered a duplicative housing subsidy.

A move within the same building or project, or between buildings owned by the same owner, will be processed like any other move except that there will be no overlapping assistance.

12.5.1 Automatic Termination of HAP Contract

A participant who is not receiving any subsidy (i.e., a *Zero HAP family*), but whose HAP contract is still in force, may request a voucher to move to a different unit. However, if no subsidy will be paid at the unit to which the family requests to move, HABC will not enter into a HAP contract on behalf of the family for the new unit.

12.6 REQUIRED MOVES FOR HEALTH AND SAFETY REASONS

Participant transfers from public housing to HCV, and emergency transfers that result from health and safety issues, will be mandated by the Chief Operations Officer, Executive Vice President for FHEO, or as recommended by HUD.

HCV participants who need an emergency transfer due to health/safety reasons will be required to submit a Notice to Vacate (30- or 60-days).

HABC will issue a family whose HAP contract is being terminated due to an owner failing to make the required repairs within the required time frame, a voucher no later than 30 days prior to the termination of the HAP contract. No briefing is required for these families and HABC will follow established extension policies as noted in **Expirations/Extensions**.

HABC will offer to the family a PBV or RAD PBV unit of appropriate size if available. If the family is unable to lease a new unit within 30 days of expiration of the voucher, and there are no PBV or RAD PBV units of appropriate size to offer to the family, HABC will offer a selection preference for an appropriate-sized public housing unit that is available.

If the family is issued an emergency move voucher, declines the offer for a public housing unit, and does not vacate the unit upon expiration of the voucher and any extended terms, the family is no longer assisted in the HCV program. According to 24 CFR 952.555(b), an informal hearing is not required when a voucher has expired without the family leasing a unit.

12.7 INTER-PROGRAM TRANSFERS

Participants that are transferring from one program to another (i.e., transfers between the public housing, HCV, and BRHP programs) are allowed no more than five (5) business days to complete the move once the lease is signed, and the HAP contract has been executed. Public housing residents must pay any outstanding balances and return keys within the specified timeframe.

CHAPTER 13: PORTABILITY

13.1 INTRODUCTION

Except for special homeownership vouchers, a participant family or an applicant family that has been issued a voucher has the right to use tenant-based voucher assistance to lease a unit anywhere in the United States providing that the unit is located within the jurisdiction of a public housing authority (PHA) administering a tenant-based voucher program.

Portability refers to the process of leasing a dwelling unit with tenant-based voucher assistance outside of the jurisdiction of the PHA that initially issues the family its voucher (the initial PHA). Program regulations covering where a family may move and the responsibilities of the initial PHA and the receiving PHA (the PHA with jurisdiction over the area to which the family moves) are found federal regulations at 24 CFR 982.353 through 982.355.

- Where port-outs are concerned, HABC is the initial PHA.
- Where port-ins are concerned, HABC is the receiving PHA.

The receiving PHA has two options:

- **Administering the family's voucher for the initial PHA**. Under this option, the receiving PHA bills the initial PHA for the family's housing assistance payments and the fees for administering the family's voucher; or
- **Absorbing the family into its own program**. Under this option, the receiving PHA pays for the family's assistance out of its own program funds, and the initial PHA has no further relationship with the family.

HABC has the sole discretion to absorb the voucher or bill the initial jurisdiction, dependent on funding. Upon HAP contract execution, the voucher holder is required to take possession of the unit.

13.2 OUTGOING PORTABILITY (PORT-OUTS)

Outgoing portability refers to households receiving housing choice voucher (HCV) assistance from HABC desiring to relocate to areas outside HABC's jurisdiction while continuing to receive HCV assistance. Within the limitations of regulations and HABC policy, a participant family has the right to receive tenant-based voucher assistance to lease a unit outside HABC jurisdiction, anywhere in the United States, in the jurisdiction of a PHA with a tenant- based program.

13.2.1 Receiving PHA Role

If a family has a right to lease a unit in the receiving PHA's jurisdiction under portability, the receiving PHA must provide assistance for the family.

The receiving PHA's procedures and preferences for selection among eligible applicants do not apply, and the receiving PHA's waiting list is not used. However, the family's unit size (also known as the voucher size) is determined in accordance with the subsidy standards of the receiving PHA and the amount of the family's housing assistance payment is determined in the same manner as for other families in the receiving PHA's voucher program.

13.2.2 Applicant Families

Applicant families requesting to port-out of HABC's jurisdiction must meet all eligibility criteria set forth by HABC. HABC will determine if the applicant is eligible for participation in the HCV program, and whether the applicant is income eligible in the jurisdiction for which the applicant wishes to move. If the applicant family meets all HCV eligibility criteria but is not income eligible in the area to which the family wishes to move, HABC will inform the family they may not move to that area with continued assistance. However, the applicant family may lease a unit in HABC's jurisdiction if the family remains eligible for HCV assistance (including income eligible) in HABC's jurisdiction.

The receiving PHA's income limits are used in determining income eligibility for port-out applicants.

Families may port out immediately upon issuance of their voucher.

13.2.3 Participant Families

Once a participant family informs HABC of their desire to move under portability and where they want to move, HABC determines the family's eligibility to move. A family's eligibility to move is determined in accordance with 24 CFR § 982.353, 24 CFR § 982.354 and with policies as stated in **ALLOWABLE MOVES** and **RESTRICTIONS ON MOVES**.

If more than one PHA administers a voucher program in the area to which the family is moving, the family must select the receiving PHA. HABC must provide the family with contact information for all of the receiving PHAs that serve the area.

13.2.4 Reexamination of Household Income and Composition at Port-Out

A new reexamination of family income and composition is not required for a participant family who is approved to move out of HABC's jurisdiction under portability. However, for a participant family approved to move out of HABC's jurisdiction under portability, HABC generally will conduct a reexamination of family income and composition if the family's regular reexamination is due within 120 days of the date of request to port out.

HABC will make any exceptions to this policy necessary to remain in compliance with HUD regulations.

13.2.5 Briefing

A formal briefing will be offered for a tenant family wishing to move outside of HABC's jurisdiction under portability. HABC will provide the family with the same oral explanation of portability that it provides to applicant households selected for admission to the program.

HABC will provide the name, address, and phone of the portability contact for the PHA(s) in the jurisdiction to which they wish to move. If there is more than one PHA with jurisdiction over the area to which the family wishes to move, HABC will advise the family that the family:

- Selects the receiving PHA, and
- Must notify HABC of which receiving PHA was selected.

HABC will further inform the family that if the family prefers not to select the receiving PHA, HABC will select the receiving PHA on their behalf. In this case, HABC will not provide the family with information for all receiving PHAs in the area.

HABC will advise the family that they will be under the receiving PHA's policies and procedures, including screening, subsidy standards, voucher extension policies, and payment standards.

13.2.6 Voucher Issuance, Term, Extensions and Suspensions

An applicant family has no right to portability until after the family has been issued a voucher. In issuing vouchers to applicant households, HABC will follow the policies set forth in this Plan.

When a current participant decides to move outside HABC's area of operation, HABC will issue a new voucher to the family. The initial term of the port-out voucher will be 120 days.

At its discretion, HABC may opt to extend a voucher under the following circumstances:

- The initial term of the voucher will expire before the portable family will be issued a voucher by the receiving PHA;
- The family decides to return to HABC's jurisdiction and search for a unit; or
- The family decides to search for a unit in a third PHA's jurisdiction.

In the cases above, HABC's policies on voucher extension and suspensions will apply, including the requirement that the family apply for an extension in writing prior to the expiration of the initial voucher term. See policies on **ISSUANCE OF** .

Once the receiving PHA issues the family a voucher, the receiving PHA's policies on extensions of the voucher term apply. The receiving PHA must notify HABC of any extensions granted to the term of the voucher; however, HABC must determine if HABC will extend the billing submission deadline.

13.2.7 Contact with the Receiving PHA

Before Approval to Port Out

Prior to approving a family's request to move under portability, HABC will contact the receiving PHA via email or other confirmed delivery method to determine whether the receiving PHA will administer or absorb the family's voucher. If the receiving PHA notifies HABC that it will absorb the voucher, the receiving PHA may not reverse its decision at a later date without HABC's consent.

If the receiving PHA will bill HABC for the portability voucher and the cost of the HAP will increase due to the move, HABC may deny the move if it does not have sufficient funding for continued assistance in accordance with the regulatory requirements.

After Approval to Port Out

After approving a family's request to move under portability, HABC must promptly notify the receiving PHA via email or other confirmed delivery method to expect the family. HABC will advise the family that they must promptly contact the receiving PHA in order to be informed of and comply with the receiving PHA's procedures for incoming portable households.

13.2.8 Sending Documentation to the Receiving PHA

HABC will send the receiving PHA the following documents:

- Form HUD-52665, Family Portability Information, with Part I completed;
- A copy of the family's voucher;

- A copy of the family's most recent form HUD-50058 or, if necessary in the case of an applicant family, family and income information in a format similar to that of form HUD-50058;
- Copies of the income verifications backing up the form HUD-50058, including a copy of the family's current EIV data.

In addition to these documents, HABC will provide the following information, if available, to the receiving PHA:

- Family Port request form;
- Social Security numbers (SSNs);
- Documentation of SSNs for all nonexempt household members whose SSNs have not been verified through the EIV system;
- Documentation of legal identity;
- Documentation of citizenship or eligible immigration status;
- Documentation of participation in a family self-sufficiency (FSS) program;
- If applicable, information related to the family's health and medical care and/or disability assistance expense phased-in hardship exemption, including what stage the family is in and how many months remain in that phase-in stage.

HABC will notify the family in writing regarding any information provided to the receiving PHA.

13.2.9 Initial Billing Deadline

If HABC has not received an initial billing notice from the receiving PHA by the deadline specified on form HUD-52665 (90 days from the expiration date of HABC's voucher), HABC will contact the receiving PHA. If the receiving PHA reports that the family is not yet under HAP contract, HABC will inform the receiving PHA whether it will honor a late billing submission. HABC will send the receiving PHA a written confirmation of its decision.

HABC will honor a late billing submission if the family includes a person with disabilities and the late billing is a result of a reasonable accommodation granted to the family by the receiving PHA.

13.2.10 Monthly Billing Payments

If the receiving PHA is administering the family's voucher, the receiving PHA bills HABC for housing assistance payments and administrative fees. When reimbursing for administrative fees, HABC must promptly reimburse the receiving PHA for the lesser of 80 percent of HABC's ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee for each program unit under contract on the first day of the month for which the receiving PHA is billing HABC under portability. If the administrative fees are prorated for the HCV program, the proration will apply to the amount of the administrative fee for which the receiving PHA may bill.

HABC must make billing payments in a timely manner. The first billing amount is due within 30 calendar days after HABC receives Part II of form HUD-52665 from the receiving PHA. Subsequent payments must be **received** by the receiving PHA no later than the fifth business day of each month. The payments must be provided in a form and manner that the receiving PHA is able and willing to accept.

HABC may not terminate or delay making payments under existing portability billing arrangements as a result of over-leasing or funding shortfalls.

13.2.11 Change in Billing Amount

The receiving PHA is required to notify HABC, using form HUD-52665, of any change in the billing amount for the family as a result of:

- A change in the HAP amount (because of a reexamination, a change in the applicable payment standard, a move to another unit, etc.);
- An abatement or subsequent resumption of the HAP payments;
- Termination of the HAP contract;
- Payment of a damage/vacancy loss claim for the family; or
- Termination of the family from the program.

The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family in order to provide HABC with advance notice of the change. Under no circumstances should the notification be later than 10 business days following the effective date of the change in the billing amount.

13.2.12 Reexaminations for Administered Port-Outs

The receiving PHA must send to HABC a copy of a portable family's updated form HUD-50058 after each regular reexamination for the duration of time the receiving PHA is billing HABC on behalf of the family, regardless of whether there is a change in the billing amount. The reexamination and updated billing are due to HABC within 10 business days of the reexamination effective date.

If HABC is being billed on behalf of a portable family, and HABC fails to receive an updated 50058 by the family's regular reexamination date, HABC will contact the receiving PHA to verify the status of the family. HABC will continue paying the receiving PHA based on the last form HUD-50058 received, unless instructed otherwise by HUD. HABC may seek absorption of the vouchers by following steps outlined by HUD.

13.2.13 Denial or Termination of Assistance

If HABC has grounds for denying or terminating assistance for a portable family that has not been absorbed by the receiving PHA, HABC may act on those grounds at any time.

13.2.14 Subsequent Household Moves

If a receiving PHA is administering an HABC voucher and the family subsequently decides to move out of the receiving PHA's jurisdiction, HABC will issue the family a voucher to move and will send form HUD-52665 and supporting documentation to the new receiving PHA.

13.3 INCOMING PORTABILITY (PORT-INS)

A port-in is when a participant has a voucher issued from another PHA and has found a unit to lease in HABC's jurisdiction. When a family ports-in and uses a voucher to lease a unit in HABC's jurisdiction, HABC's payment standards will apply.

13.3.1 Receiving PHA's Role

If a family has a right to lease a unit in HABC's jurisdiction under portability, HABC must provide assistance for the family. HUD may determine in certain instances that HABC is not required to accept incoming portable families, such as if HABC is in a declared disaster area. However, HABC must have approval in writing from HUD before refusing any incoming portable families.

Administration of the voucher must be in accordance with HABC's policies. HABC procedures and preferences for selection among eligible applicants do not apply to the family, and the HABC waiting list is not used. The family's unit size (also known as the voucher size) is determined in accordance with HABC's subsidy standards, and HABC's policies on extensions of the voucher term apply.

13.3.2 Responding to Initial PHA's Request

HABC will promptly notify the initial PHA whether it will be:

- Administering the Voucher, or
- Absorbing the Voucher.

If HABC informs the initial PHA that it will absorb the voucher, HABC cannot reverse its decision at a later date without the consent of the initial PHA.

13.3.3 Initial Contact with Family

When a family moves into HABC's jurisdiction under portability, HABC is responsible for promptly contacting the family and explaining HABC's procedures for incoming portable families. The family's failure to comply may result in denial or termination of HABC's voucher.

If the voucher issued to the family by the initial PHA has expired, HABC will not process the family's paperwork and will refer the family back to the initial PHA. An informal hearing is not required when a voucher has expired without the family leasing a unit.

If for any other reason HABC refuses to process or provide assistance to a family under the portability procedures, the family will be referred back to the initial PHA.

13.3.4 File Documentation and Verification

When a family ports into HABC's jurisdiction, HABC will request the full portability file from the initial PHA in accordance with HUD requirements. The file must include a completed and signed HUD Form 50058, all required verifications used to determine the family's income and eligibility, and all household documentation necessary to support the determination of subsidy.

If the initial PHA does not provide complete, legible, or current documentation, or if required forms or verifications are missing, HABC may require the family to submit or re-sign any master family documents necessary for program participation. This may include, but is not limited to:

- Personal identification documents (IDs, Social Security cards, birth certificates, etc.)
- Citizenship or eligible immigration status documentation
- Consent forms
- Income and asset verification documents

- Proof of eligible household composition

HABC will make reasonable efforts to obtain missing documentation from the initial PHA, but if timely or complete records are not received, the family may be required to provide documentation directly to HABC. Failure to cooperate in providing necessary documentation may result in delayed processing or denial of continued assistance in accordance with HUD and HABC policies.

13.3.1 Criminal Background Checks

HABC will conduct a criminal background and sex offender registry check on all family members (ages 14 and older) who are porting into HABC's jurisdiction. HABC will follow its policies on screening to guide determinations related to criminal background and sex offender registration screening.

13.3.2 Briefing

At its discretion, HABC may require port-in families to attend a briefing. If a briefing is not required, HABC will provide the family with the same oral explanation of program operation that it provides to applicant households selected for admission to the program. HABC will provide the family with a briefing packet and inform the family about HABC's payment and subsidy standards, procedures for requesting approval of a unit, the unit inspection process, and the leasing process.

13.3.3 Income Eligibility and Reexamination

For any family moving into its jurisdiction under portability, HABC generally will not conduct a new reexamination of family income and composition. In the event a full reexamination is necessary, HABC will not delay issuing the family a voucher for this reason, nor will HABC delay approving a unit for the family until the reexamination process is complete unless the family is an applicant and HABC cannot otherwise confirm that the family is income-eligible for admission to the program in the area where the unit is located.

In conducting its own reexamination, HABC will rely upon any verifications provided by the initial PHA to the extent that they:

- Accurately reflect the family's current circumstances, and
- Were obtained within the last 120 days.

Any new information may be verified by documents provided by the family and adjusted, if necessary, when verification is received.

13.3.4 Voucher

Issuance

When a family moves into its jurisdiction under portability, HABC will issue the family a voucher within ten (10) business days based on the paperwork received, provided:

- The family's paperwork from the initial PHA is complete,
- The family's voucher from the initial PHA has not expired, and
- The family complies with HABC's procedures.

Term

If the initial PHA's voucher expires before HABC issues the portable family a voucher, HABC will contact the initial PHA to determine if it will extend the voucher term. HABC will not issue a voucher to the portable family if the initial PHA voucher term is expired and no extension is authorized by the initial PHA.

Under no circumstances will the term of HABC's voucher expire before 30 calendar days from the expiration date of the initial PHA voucher term. For example, if the initial PHA voucher term expires on 7/12/25, HABC's voucher term, as the receiving PHA, will not expire before 8/12/25.

Extensions

Once HABC issues a voucher to the port-in household, HABC's policies on **Expirations/Extensions** apply. HABC will notify the initial PHA in writing of any extension granted and request an extension to the billing submission deadline. If the initial PHA will not grant an extension to the billing submission deadline, HABC must:

- Intend to absorb the family into its own program, or
- Ensure the expiration date would leave sufficient time to process a Request for Tenancy Approval, execute a HAP contract, and deliver the initial billing to the initial PHA by the deadline.

HABC will also consider giving an extension as a reasonable accommodation for a person with a disability.

Suspensions

If the family submits a Request for Tenancy Approval (RFTA) during the term of HABC's voucher, HABC will suspend the term of that voucher. The term of the voucher stops from the date that the family submits a RFTA until the date HABC notifies the family in writing whether the request has been approved or denied. If the suspension of the term of the voucher will delay the initial billing submission, HABC will notify the initial PHA of the delayed billing in writing before the billing deadline and document that the delay is due to the suspension of the voucher term. If HABC meets these requirements, the initial PHA must extend the billing deadline by 30 days; however, if the initial PHA has not received the portability form within the new 30-day deadline, the initial billing is late, and HABC may be required to absorb the voucher if the initial PHA is unwilling to accept the late submission.

13.3.5 Notifying the Initial PHA

HABC will promptly notify the initial PHA if the family has leased an eligible unit under the program or if the family fails to submit a RFTA for an eligible unit within the term of HABC's voucher. HABC will use Part II of form HUD-52665, Family Portability Information, for this purpose.

If an incoming portable family ultimately decides not to lease in HABC's jurisdiction but instead wishes to return to the initial PHA's jurisdiction or to search in another jurisdiction, HABC will refer the family back to the initial PHA. In such a case, the voucher of record for the family is once again the voucher originally issued by the initial PHA. Any extension of search time provided by HABC's voucher is only valid for the family's search in HABC's jurisdiction.

13.3.6 Administering the Voucher

Initial Billing Deadline

If a portable family's search for a unit is successful and HABC intends to administer the family's voucher, HABC's initial billing notice (Part II of form HUD-52665) will be completed and emailed so that it is **received** by the initial PHA no later than **90 days** following the expiration of the initial PHA's voucher. A copy of the family's form HUD-50058 completed by HABC will be attached to the initial billing notice.

If HABC fails to send the initial billing by the deadline, it is required to absorb the family into its own program unless:

1. The initial PHA is willing to accept the late submission; or
2. HUD requires the initial PHA to honor the late submission (e.g., because HABC is over-leased).

Billing Procedure

If administering the port-in voucher, HABC will bill the initial PHA monthly for housing assistance payments (HAPs). The billing cycle for other amounts, including administrative fees and special claims will be once a month. HABC will bill 100 percent of the HAP and the lesser of 80 percent of the initial PHA prorated column B administrative fee rate or 100 percent of HABC's prorated column B administrative fee rate for each unit under HAP contract on the first day of the month for which HABC is billing the initial PHA. Additionally, as provided by HUD, HABC will prorate administrative fees in accordance with any HUD prorations.

HABC will notify the initial PHA of changes in subsidy amounts within 10 business days of any change in the monthly payment.

HABC will update administrative fees when and if HUD revises the fees and/or related prorations.

Unless the HABC negotiates a different amount of reimbursement with the initial PHA, the HABC will bill the initial PHA the maximum amount of administrative fees allowed, ensuring any administrative fee proration has been properly applied.

Regular Reexamination

HABC will send the initial PHA a copy of a portable family's HUD-52665 and updated form HUD-50058 after each regular reexamination for the duration of time the HABC is billing the initial PHA on behalf of the family, regardless of whether there is a change in the billing amount.

Change in Billing Amount

HABC will notify the initial PHA, using form HUD-52665, of any change in the billing amount for the family as a result of:

- A change in the HAP amount (because of a reexamination, a change in the applicable payment standard, a move to another unit, etc.)
- An abatement or subsequent resumption of the HAP payments;
- Termination of the HAP contract;
- Payment of a damage/vacancy loss claim for the family; and/or
- Termination of the family from the program.

The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family in order to provide the initial PHA with advance notice of the change. Under no circumstances should the notification be later than 10 business days following the effective date of the change in the billing amount.

If HABC fails to send form HUD-52665 within 10 business days of effective date of billing changes, the initial PHA is not responsible for any increase prior to notification. If the change resulted in a decrease in the monthly billing amount, the initial PHA will offset future monthly payments until the difference is reconciled.

Late Payments

If the initial PHA fails to make a monthly payment for a portable family by the fifth business day of the month, HABC will promptly notify the initial PHA in writing (and in accordance with HUD requirements) of the deficiency. HABC will send a copy of the notification to the Office of Public Housing (OPH) in the HUD area office with jurisdiction over the receiving PHA.

If the initial PHA fails to correct the problem by the second month following the notification, HABC may request by memorandum to the director of the OPH with jurisdiction over the receiving PHA that HUD transfer the voucher in question. A copy of the initial notification and any subsequent correspondence between PHAs on the matter must be attached. HABC will send a copy of the memorandum to the initial PHA. If the OPH decides to grant the transfer, the billing arrangement on behalf of the family ceases with the transfer, but the initial PHA is still responsible for any outstanding payments due to HABC.

Overpayments

In all cases where HABC has received billing payments for billing arrangements no longer in effect, HABC is responsible for returning the full amount of the overpayment (including the portion provided for administrative fees) to the initial PHA.

Denial or Termination of Assistance

At any time, HABC may make a determination to deny or terminate assistance to a portable family for family action or inaction consistent with the denial and termination policies in this Plan.

If HABC elects to deny or terminate assistance for a portable family, HABC will notify the initial PHA within 10 business days after the informal review or hearing if the denial or termination is upheld. HABC will furnish the initial PHA with a copy of the review or hearing decision, where applicable.

Special Purpose Vouchers and Portability

HABC will administer special purpose vouchers (i.e., VASH vouchers) in accordance with HUD-established policy in cases where HUD has established alternative program requirements of such special purpose vouchers. For example, under VASH, HABC will follow the VASH screening requirements when a VASH family ports to HABC.

HABC will use the codes for the special purpose vouchers on the HUD-50058 and continue to use such codes while HABC is administering a portable voucher.

13.3.7 Absorbing the Voucher

HABC may absorb an incoming portable family into its own program when HABC executes a HAP contract on behalf of the family or at any time thereafter providing that:

- HABC has funding available under its annual contributions contract (ACC), and
- Absorbing the family will not result in over leasing.

If HABC notifies the initial PHA that it will absorb the voucher, it cannot reverse its decision at a later date without consent of the initial PHA.

If HABC decides to absorb a portable family upon the execution of a HAP contract on behalf of the family, HABC will notify the initial PHA upon receipt of the portability paperwork. The effective date of the HAP contract will be the effective date of the absorption.

If HABC decides to absorb a family after administering the voucher, HABC will provide the initial PHA with 30 days advance notice, but no later than 10 business days following the effective date of the termination of the billing arrangement.

When a portable family is absorbed by HABC, the family will be subject to HABC policies.

CHAPTER 14: REEXAMINATIONS

14.1 INTRODUCTION

In accordance with HABC's MTW requirements, all households participating in the HCV program must periodically provide HABC with necessary, accurate information in order to verify continued eligibility for the HCV program and calculate level of assistance.

Reexaminations will be processed in a manner that ensures households are given reasonable notice of rent adjustments. All reexamination activities will be coordinated in accordance with HABC's MTW policies. Households are required to report applicable changes in household composition and income in a timely manner.

This chapter defines HABC policy for conducting reexaminations and coordinating reexamination activities. It also explains the interim reporting requirements for households, and the standards for timely reporting.

14.2 REGULAR REEXAMINATIONS

HABC is responsible for reexamination and verification of household income, household composition and other eligibility criteria.

14.2.1 Frequency of Regular Reexaminations

MTW Policy

HABC will generally conduct a reexamination of household income and composition for HCV households once every twenty-four (24) months (biennial cycle).

Households who have 100% fixed income will be reexamined once every thirty-six (36) months. *Fixed income* includes:

- Social Security payments, to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
- Federal, state, local, and private pension plans; and
- Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic payments.

Any household that believes they would benefit by an annual reexamination may request an annual income reexamination schedule.

HABC will continue to conduct annual (once every 12 months) reexaminations for the following household/program types:

- Zero income households (entire households reporting zero income).
- Residents living in Mod-Rehab and Mod-Rehab SRO units.
- Residents with other vouchers that do not qualify based on HUD funding restrictions.
- Residents with Homeownership vouchers.

14.2.2 Online Reexamination Process

HABC has made online reexaminations available to all HCV Program participants, as of May 2020.

This method will not change the requirements of the reexamination process, only how the reexamination is completed. HABC's goal is to create a more efficient process for participants to submit the documentation required to complete their reexaminations. Online reexaminations will eliminate the requirement for participants to come into the office and staff will no longer have to manually track reexaminations, allowing for more efficient processing while improving customer service.

The most significant change is the addition of the MyHousing Portal (*the Portal*), a website that is accessible to all HCV participants, providing them access to view and submit their reexaminations. The Portal allows participants to upload the required verification documents, which were traditionally collected at the interview. It also displays the family composition, income, assets, and expenses listed on the current (effective) reexamination enabling the participants to review and update this information online.

At the commencement of the online reexamination process, an invitation letter will be sent to participants with upcoming annual reexaminations. The letter will give participants an overview of how to complete their reexamination on the Portal. It will also provide participants with the information they will need to register on the Portal.

14.2.3 Reexamination Notice to the Household

HABC will maintain a reexamination tracking system, and the household will be notified of their re-examination appointment date at least one hundred fifty (150) calendar days in advance of the reexamination effective date (the date that any changes in household rent share take effect). The notice will inform participants of the required documentation that will be needed at the time of their recertification appointment. All household members who are or will be 18 years of age by the recertification effective date are required to provide signatures on all required documents.

If requested as a reasonable accommodation by a person with a disability, HABC will provide the notice in an accessible format. HABC will also mail the notice to a third party if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they meet the need presented by the disability.

14.2.4 Collection of Information

HABC has established appropriate reexamination procedures necessary to ensure that the income, household composition and other eligibility data provided by households is complete and accurate.

HABC will require the household to complete all required reexamination forms. The household will be required to submit the completed forms to HABC online or in person using the designated drop box.

The household will be given notification to provide required documents for reexamination. The household will be informed that failure to provide required documents by the indicated date may result in termination from the program.

14.2.5 Documents Required from the Household

HABC requires households to supply all information that HABC or HUD determines is necessary in the administration of the program. *Information* includes any requested certification, release, or other documentation pertinent to the administration of the program.

All information supplied by the family must be true and complete. Households must supply any information requested by HABC or HUD for use in regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.

14.2.6 Failure to Respond to Notification of Reexamination

The household will be given notification to complete the regular reexamination in the Portal. If the initial deadline to complete the recertification passes, the family will receive a reminder notification.

If the household fails to complete the reexamination, an in-office appointment to complete the reexamination will be scheduled.

If the household fails to keep the scheduled reexamination appointment, the termination process will begin. HABC will send the household a notice of termination and offer an opportunity for the household to appeal this decision by requesting an informal hearing. A copy of the termination notice will be sent to the owner/agent. In order to stop the termination process, the household will need to complete the reexamination. If the household attends a reexamination appointment but fails to submit the required and complete documentation necessary for the reexamination, they will be given no more than ten (10) calendar days to provide the documentation, unless a reasonable accommodation is requested and approved by the Senior Vice President for HCVP, or designee. If the documentation is not submitted as required (completely and correctly) and a prior alternate arrangement for its submission has not been agreed upon by HABC, HABC will send the household a notice of termination and offer an opportunity for the household to appeal by requesting an informal hearing.

14.2.7 Verification of Information

HABC will follow the verification procedures and guidelines described in this Plan (see **VERIFICATION** for more detailed information).

14.2.8 Completion of Reexaminations

HABC will complete all reexaminations for households before the anniversary date. This includes notifying the household of any changes in rent at least thirty (30) calendar days before the reexamination effective date, provided there are no delays.

14.2.9 Household Rent Increases

Generally, an increase in the tenant rent that results from a regular reexamination will take effect on the household's anniversary date, and the household will be notified at least 30 days in advance, provided there are no delays.

If less than thirty (30) calendar days remain before the reexamination effective date, the anniversary date will remain unchanged. HABC will apply a credit to the family share so the rent increase takes effect on the first day of the month following the required 30-day notice. Increases in income may result in an increase in the household rent and must be reported to HABC at the next regular reexamination, unless

the household is reporting zero income or there is zero income household member, for which the increase in income must be reported within thirty (30) calendar days of the date the change occurred.

If there has been a misrepresentation or a material omission by the household, or if the household causes a delay in the reexamination processing, there will be a retroactive increase in household rent to the scheduled effective date. The household will be required to reimburse HABC for any housing assistance overpayment.

Reporting of applicable changes in household income may trigger an interim reexamination..

14.2.10 Household Rent Decreases

If the household rent decreases, it will be effective on the regularly scheduled effective date of the reexamination.

HABC may, at any time, require a program participant to provide evidence that the circumstances leading to a rent decrease remain in effect. Furthermore, the participant is required to report such changes within thirty (30) calendar days of their occurrence (see section **Interims Prompted by Changes in Household Composition**).

If the household causes a delay so that the processing of the reexamination is not completed by the scheduled effective date, there will be no retroactive decrease in rent to the scheduled effective date. The decrease shall be effective as of the first of the following month.

14.2.11 Application of Payment Standards at Regular Reexaminations

MTW Policy

HABC will apply updated payment standards to families during the next regular reexamination process, regardless of the number of months following the effective date of the payment standard amount.

See HABC's **Hold Harmless Policy** for application of payment standards when the payment standard has decreased.

14.2.12 Application of Subsidy Standards at Regular Reexaminations

If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition, or a change in the HABC's subsidy standards, the new family unit size must be used to determine the payment standard amount for the family at the family's first regular reexamination following the change in family unit size.

14.2.13 Application of Utility Allowances at Regular Reexaminations

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first regular reexamination after the allowance is adopted.

14.3 INTERIM REEXAMINATIONS

Under certain circumstances, participating households may or must request Interim Reexaminations. Requests for Interim Reexams can be submitted online by visiting https://www.habc.org/habc-information/programs-departments/hcvp/hcvp-participants/ and clicking the Get Started link (or *Report Changes Here!* button) under the *Reporting Changes* section.

In the event that an interim is conducted within one-hundred twenty (120) days of a scheduled full re-examination, HABC may, at its discretion, opt to perform a full reexamination instead of the interim. This will initiate a change to the date of the household's regular reexamination schedule.

Interims will be conducted for decreases in income, increases in income when there is a change in income status (only if going from zero income to income received), and/or family composition changes. HABC will conduct interim reexaminations within a reasonable time. Generally, interim reexaminations should not be longer than 30 days after a change is reported, however; this timeframe is contingent on the family's cooperation with providing timely supporting documentation.

14.3.1 Interims Prompted by Changes in Income

Households may request interim reexaminations, which would be considered voluntary interims unless otherwise specified by HABC. Circumstances which fall under voluntary interim reexaminations include but may not be limited to:

- Decreases in gross income; and
- Increases in allowances or deductions.

Participants may report a decrease in income and other changes, such as an increase in allowances or deductions that would reduce the amount of household rent at any time. If the reexamination results in a lower household rent share, the new household rent share shall become effective at the next monthly rent payment schedule (usually the first of the following month). HABC may make a retroactive payment to the household for the difference between the old and new household rent share. This payment will not be for any period prior to the date the household reported the decrease in household income.

HABC may, at any time, require a program participant to provide evidence that the circumstances leading to a rent decrease remain in effect.

> ***MTW Policy***
>
> Any increase in income must be reported at the next regular annual, biennial, triennial recertification as applicable. Exceptions to this requirement include the required reporting of increases in income between regular reexaminations for families claiming zero income and zero income individuals.
>
> If a family or family member fails to report a change within the required timeframes or fails to provide all required information within the required timeframes, any resulting rent increase will be applied retroactively to the date it would have been effective had the information been provided on a timely basis.
>
> The family will be required to reimburse any overpayments by HABC and may be offered a repayment agreement in accordance with the policies in this Administrative Plan or be required to make a lump sum payment.

HABC will not change the date of the regular full reexamination when an interim reexamination is conducted due to a change in household income.

14.3.2 Interims Prompted by Moves within the Jurisdiction

The family may initiate an interim to report changs in income or family composition at the time of voucher issuance for a family to move within or outside of Baltimore City limits.

14.3.3 Interims Prompted by Changes in Household Composition

Program participants must report all changes in household composition (both increases and decreases) to HABC between biennial reexaminations and within thirty (30) calendar days of the change. This includes additions due to birth, adoption, foster care, marriage, significant other relationships, or court-awarded custody. The household must obtain HABC approval prior to all other additions to the household.

If any new household member is added, household income must include any income of the new household member. HABC will conduct a reexamination to determine such additional income and will make the appropriate adjustments in the housing assistance payment. Income information for existing family members will NOT be updated when there is an interim change in family composition.

Conversely, if a household member leaves the household, household income will be adjusted to reflect the loss of that member's income (if any). In either case, the size of the unit to which the household is entitled may also be affected.

Additionally, the U.S. citizenship/eligible immigrant status of all household members must be declared and verified.

HABC will conduct background screening and verification procedures listed in **APPLICANT SCREENING** for all members added to the voucher.

HABC will not change the date of the regular reexamination when an interim reexamination is conducted due to a change in household composition.

14.3.4 Interims Prompted by HABC

HABC-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by HABC. They are not scheduled because of changes reported by the family. HABC may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, address a discrepancy, or to investigate a fraud complaint.

If HABC makes a calculation error at admission to the program or during a full reexamination, an interim reexamination will be conducted, if necessary, to correct the error, but the household will not be charged retroactively. Households will be given decreases, when applicable; retroactive to when the decrease for the change would have been effective if calculated correctly.

HABC will not change the date of the regular biennial reexamination when an interim reexamination is conducted due to an HABC error.

14.3.5 Interims Prompted by Zero Income Household Status

An interim reexamination may be completed every twelve (12) months for entire households reporting zero income. Households, in which the entire family is reporting zero income, are required to report all income changes within thirty (30) calendar days regardless of the amount earned.

HABC will not change the date of the regular annual reexamination when an interim reexamination is conducted due to a zero-income household status. Where an interim reexamination results in the family

becoming a zero-income household, HABC may change the reexamination frequency at the next regular reexamination.

Households where only SNAP benefits are reported will be considered zero income households. Where an adult family member receives zero income, but other family members report income, HABC will require the zero-income family member to report increases in income within 30 days of the change.

14.3.6 Interims Prompted by Unreported Changes

If HABC discovers that a household has not reported required changes in household information and/or income (as described in **TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS**)), HABC may conduct a full reexamination (see **PROGRAM INTEGRITY AND MONITORING** for more information on fraudulent reporting). The next scheduled reexamination will take place within twelve (12) months, twenty-four (24) months (depending on the program), or thirty-six (36) months (for households that consist of 100% fixed income) from the effective date of that reexamination.

14.3.7 Application of Payment Standards at Interim Reexaminations

Payment standards and utility allowances may be subject to change in individual circumstances.

> ***MTW Policy***
>
> When there is a contract rent increase between regular recertifications, HABC will update the payment standard at the interim recertification only if the payment standard has increased. HABC does not decrease payment standards for occupied units.
>
> Additionally, HABC will update payment standards at the time of a move and at the next regular reexamination, regardless of the number of months following the effective date of the payment standard amount.

14.3.8 Application of Subsidy Standards at Interim Reexaminations

HABC will not update the subsidy standards at interim reexamination. The updated voucher size will be effective at the next regular reexamination following the change.

14.3.9 Application of Utility Allowances at Interim Reexaminations

The utility allowance schedule that applies to a household when an interim reexamination takes place will be the same utility allowance schedule that was in effect at the last annual, biennial, triennial reexamination, or at the time of a move with continued assistance.

14.4 INCOME CHANGES PROMPTED BY SOCIAL SERVICE/WELFARE PROGRAM REQUIREMENTS

HABC will not reduce the household share of rent for households whose welfare assistance is reduced due to a *specified welfare benefit reduction*, which is a reduction in benefits by the welfare agency specifically because of:

- Fraud in connection with the welfare program; or
- Failure to comply with a welfare agency requirement to participate in an economic self-sufficiency program.

However, HABC may reduce the rent if the welfare assistance reduction is a result of:

- The expiration of a lifetime time limit on receiving benefits; or
- A situation where the household complied with welfare program requirements but cannot or has not obtained employment; or
- A situation where a household member has not complied with other welfare agency requirements.

A new verification of benefits will be completed at the next reexamination.

14.4.1 Definition of "Covered Household"

A *covered household* is a household that receives benefits for welfare or public assistance from a State or public agency program which requires, as a condition of eligibility to receive assistance, the participation of a household member in an economic self-sufficiency program.

14.4.2 Definition of "Imputed Welfare Income"

Imputed welfare income is the amount of annual income not actually received by a household as a result of a specified welfare benefit reduction that is included in the household's income for purposes of determining rent.

The amount of imputed welfare income is determined by HABC, based on written information supplied to HABC by the welfare agency, including:

- The amount of the benefit reduction,
- The term of the benefit reduction,
- The reason for the reduction, and
- Subsequent changes in the term or amount of the benefit reduction.

The household's annual income will include the imputed welfare income, as determined at the household's scheduled or unscheduled reexamination, during the term of the welfare benefits reduction (as specified by the welfare agency).

The amount of imputed welfare income will be offset by the amount of additional income the household receives that commences after the sanction was imposed. When additional income from other sources is at least equal to the imputed welfare income, the imputed welfare income will be reduced to zero.

If the household was not an assisted participant when the welfare sanction began, imputed welfare income will not be included in annual income.

If the participant claims the amount of imputed welfare income has been calculated incorrectly, the Program Specialist will review the calculation for accuracy. If the imputed welfare income amount is correct, HABC will review the calculations with the family.

14.4.3 Household Dispute of Amount of Imputed Welfare Income

If the participant disputes the amount of imputed income and HABC denies the participant's request to modify the amount, HABC will provide the participant with:

- A statement that the household may request an informal meeting with HCVP management; and

- An explanation for HABC's determination of the amount of imputed welfare income.

14.4.4 Verification Before Denying a Request to Reduce Rent

HABC will accept written verification from the social service or welfare agency stating that the household's benefits have been reduced due to fraud or noncompliance with welfare agency economic self-sufficiency or work activities requirements before denying the household's request for rent reduction.

HABC will rely on the welfare agency's written notice to HABC regarding welfare sanctions.

14.4.5 Cooperation Agreements

HABC may execute a Memorandum of Understanding with the local welfare agency under which the welfare agency agrees to provide written verification to HABC concerning welfare benefits for applicant and participant households. The welfare agency will be asked to provide information regarding a specified reduction in welfare benefits for a household member, listing the following:

- Amount of reduction,
- Reason for the reduction,
- Term of the reduction,
- Subsequent re-determination of benefit income.

HABC may also execute a Memorandum of Understanding with the local welfare agency to ensure timely and accurate verification of noncompliance.

14.5 NOTIFICATION OF RESULTS OF REEXAMINATIONS

HABC will adhere to HUD MTW guidelines and requirements with regard to submissions to HUD.

In the event of a change in housing assistance payment and/or household rent share, a Notice of Rent Change will be mailed and/or emailed (if available) to the owner and the participant at least thirty (30) calendar days prior to the re-examination taking effect.

If the participant disagrees with the rent adjustment, a meeting may be requested to review the rent adjustment.

14.6 TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS)

Standard for Timely Reporting of Changes

HABC requires that households report applicable income and/or household composition changes to HABC within thirty (30) calendar days of when the change or changes occur. If the change is not reported within the required time period, or if the participant fails to provide any information, documentation or signatures requested by HABC, it will be considered untimely reporting.

14.6.1 Procedures when the Change is Reported in a Timely Manner

HABC will notify the participant and the owner of any change in the housing assistance payment to be effective according to the following guidelines:

Increases in Household Rent

Increases are effective following at least a thirty (30) calendar day notice.

MTW Policy

If a household fails to report a change within the required timeframes or fails to provide all required information within the required timeframes, the increase will be applied retroactively to the date it would have been effective had the information been provided on a timely basis.

Decreases in Household Rent

Decreases are effective the first day of the first month following that in which the change was reported and all supporting documentation has been received. However, no rent reductions will be processed until all the required documentation and facts have been received and verified. If the family causes a delay in obtaining information to process the rent decrease, the rent decrease will be effective on the first day of the first month following completion of the reexamination. HABC may make a retro adjustment, but no earlier than the date the change in income/household composition was reported to HABC.

14.6.2 Changes Not Reported Timely

If the household does not report the change as described in this section, the participant will have caused an unreasonable delay in the reexamination processing and the following guidelines may apply:

MTW Policy

Increase in Household Rent

Increases will be effective retroactive to the date it would have been effective had the changes been reported in a timely manner. The participant will be liable for any overpaid housing assistance and may be required to sign a repayment agreement.

Decrease in Household Rent

Decreases will be effective on the first day of the first month following the month that the change was reported, and all supporting documentation has been received.

In cases where, through no fault of the participant, the change cannot be verified until after the date the change would have become effective, the change will be made retroactively to the first of the month following the date the change would have led to the interim reexamination.

14.6.3 Procedures When the Change Is Not Processed by HABC in a Timely Manner

Processed in a timely manner means that the change goes into effect on the date it should when the participant reports the change in a timely manner. If the change cannot be made effective on that date by HABC, then the change has not been processed in a timely manner.

In this case, an increase will be effective after the required thirty (30) calendar days' notice prior to the first of the month after completion of processing by HABC.

If the change resulted in a decrease, the overpayment by the participant will be calculated retroactively to the date it should have been effective, and the participant will be credited for the amount.

14.7 CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES

Under the Non-citizens Rule, *mixed* families are households that include at least one citizen or eligible immigrant and any number of ineligible members.

The Non-citizens Rule was implemented prior to November 29, 1996, and *mixed* families who were participants as of June 19, 1995, shall continue receiving full assistance if they meet all of the following criteria:

- The head of household or spouse is a U.S. citizen/national or has eligible immigrant status; AND
- All members of the household other than the head, the spouse, parents of the head or the spouse, and children of the head or spouse are U.S. citizens/nationals or eligible immigrants. The household may change the head of household to qualify under this provision.

14.8 MISREPRESENTATION OF HOUSEHOLD CIRCUMSTANCES

If any participant deliberately misrepresents the information on which eligibility or household rent is established, HABC may terminate assistance and may refer the participant file/record to the proper authorities for appropriate disposition. See **PROGRAM INTEGRITY AND MONITORING**.

14.9 HOUSEHOLD CHANGES

14.9.1 Definition of Temporarily/Permanently Absent

Permanent and temporary absence has significant impact on a number of HCV assistance aspects including family size determination, subsidy standard determination, and split household and remaining tenants. HABC must account for and compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, HABC must count the income of the spouse or the head of the household, if that person is temporarily absent, even if that person is not on the lease. Income of persons determined to be permanently absent will not be counted. It is the responsibility of the head of household to report changes in family composition. HABC will evaluate absences from the unit using this policy.

14.9.2 Reporting Absences to HABC

Reporting changes in household composition is both a family responsibility and an HABC requirement.

If a family member leaves the household, the family must report this change to HABC, within thirty (30) calendar days of the change and certify as to whether the member is temporarily or permanently absent. HABC will conduct an unscheduled evaluation for changes that affect the total tenant payment in accordance with HABC policy.

14.9.3 Reporting Additions to Owner and HABC

Reporting changes in household composition to HABC is a family responsibility.

The family obligations require the family to request HABC approval to add any other family member as an occupant of the unit and to inform HABC of the birth, adoption, foster care, or court-awarded custody of a child. The family must request prior approval of additional household members in writing. If any new family member is added, the income of the additional member will be included in the family income.

HABC will not approve the addition of a new family or household member unless the individual meets the eligibility and screening criteria. HABC may issue a larger voucher due to approved, eligible additions of family members by birth, adoption, foster care, marriage, significant other relationships, and court-awarded custody. If the family does not obtain prior written approval from HABC, any person the family has permitted to move in will be considered an unauthorized household member.

An unscheduled interim reexamination will be conducted for any additions to the household.

Reasons to approve additional household members include, but are not limited to:

- Minors will be added to the voucher if assisted member can show guardianship: by birth, adoption, foster care, or court-awarded custody.
- Single adults with disabilities will be added to the voucher if it is necessary for the head-of-household to care for the disabled adult.
- New members, including significant others can be added to the voucher upon approval by the landlord and by the Senior Vice President for HCVP, or designee.
- Previously removed single adults may be re-added to the voucher pending approval of the Senior Vice President for HCVP, or designee.
- Exceptions may be made to the above circumstances, upon approval by the landlord and Senior Vice President for HCVP, or designee.

Other adults with children who are not a part of the voucher household, or who are not a significant other to any household member, will be considered separate families bypassing the waiting list, and will not be added to the voucher.

In addition, the lease may require the family to obtain prior written approval from the owner when there are changes in family composition other than birth, adoption or court-awarded custody.

All situations for requests to add members, which may not be described above, are subject to approval or denial by the Senior Vice President and HABC's Office of Fair Housing and Equal Opportunity Enforcement.

14.9.4 Income of Persons Permanently Living in a Nursing Home

If a family member is permanently living in a hospital or nursing home and there is a family member left in the household, HABC will request verification from a responsible medical professional. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

14.9.5 Retention of Voucher – Split Households

Split households occur when a family may separate for any reason such as divorce, legal separation, or other division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance and there is no determination by a court. In those instances when an applicant/participant family in possession of a voucher becomes divided into two otherwise eligible families, HABC shall consider, in order, the following factors to determine which of the families will continue to be assisted:

- Which family unit retains the children or any disabled or elderly members;

- Recommendations of social service agencies; and/or
- Which family member applied as head of household.

Documentation of these factors will be the responsibility of the requesting parties and approval is at the discretion of the HCVP Senior Vice President, or designee.

If documentation is not provided, HABC may terminate assistance on the basis of failure to provide information necessary to redetermine family composition as it relates to the family obligations.

14.9.6 Retention of Voucher – Remaining Member of Participant Family

Persons that are a part of the household whose head is no longer on the program due to death or separation from the program for any reason other than termination, may be considered remaining members of the participant family, at the time of review. A live-in aide, by definition, is not a member of the family and will not be considered a remaining member of the family. In order for a minor child to continue to receive assistance as a remaining family member:

- The court has to have awarded emancipated minor status to the minor, or
- HABC has to have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child or children for an indefinite period.

Any additional family member must follow HABC's tenant screening protocol as dictated in this Administrative Plan. A reduction in family size may require a reduction in the voucher and unit size.

When a new head of household is approved, whether it be an existing family member or a new family member, HABC will:

- Conduct full screening on the new head of household, including criminal background and debt screening.
- Conduct a full reexamination of household composition and income and recalculate rent. A new reexamination anniversary date will be established.

14.9.7 Remaining Members no Longer Meet Special Program/Preference

Special programs (i.e., NEDs Category II, Family Unification Program, VASH) require the head of household to meet specific eligibility criteria or preferences to receive assistance. For remaining household member(s) of participants under these special programs whose head is no longer on the program due to death or separation from the program for any reason other than termination, and where the member does not meet the eligibility criteria of the special program (e.g., is elderly or not disabled or not a veteran), HABC may screen the remaining member(s) for eligibility towards a regular tenant-based Housing Choice Voucher.

If the remaining household member(s) are not eligible for the special program requirements or a tenant-based voucher, the family will be sent a denial letter. If the remaining member does not request an informal hearing, the household will be responsible for the full contract rent as assistance is no longer provided to the ineligible family members.

CHAPTER 15: DENIAL OF ASSISTANCE AND INFORMAL REVIEWS

15.1 INTRODUCTION

This chapter describes eligibility criteria and when HABC is required to, or may choose to, deny assistance to an applicant. HABC may deny assistance for a family because of the family's action or failure to act. HABC provides families with a written description of the grounds under which HABC can deny assistance and HABC informal review procedures.

15.2 DENIAL OF ASSISTANCE

If HABC determines that the family is ineligible for admission to the program, the family will be timely notified, in writing, of the decision. The family will have an opportunity to contest the decision and request an informal review.

15.2.1 Forms of Denial of Assistance

Denial of assistance includes any of the following:

- Not placing the family's name on the waiting list
- Denying or withdrawing a voucher
- Not approving a request for tenancy or refusing to enter into a HAP contract
- Refusing to process a request for or to provide assistance under portability procedures

15.2.2 Prohibited Reasons for Denial of Program Assistance

HUD policies prohibit denial of program assistance to the program based on any of the following criteria:

- Age, disability, race, color, religion, sex, or national origin (see **FAIR HOUSING AND EQUAL ACCESS** for additional information about fair housing and equal opportunity requirements.)
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside the PHA's jurisdiction under portability. (see **LEASING AND REASONABLE RENT**)
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
- Whether the family includes children
- Whether a family decides to participate in a family self-sufficiency program
- Whether or not a qualified applicant is or has been a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking if the applicant is otherwise qualified for assistance.

15.3 GROUNDS FOR DENIAL OF ASSISTANCE

In accordance with HUD regulations, certain grounds for denial are mandatory while others are discretionary, allowing HABC to consider the circumstances of each case.

15.3.1 EIV Screening

HABC policy for EIV tenant and debt screening for all applicants can be found in **APPLICANT SCREENING**.

EIV debt screening for prior debts incurred during previous participation in a federally assisted housing program will be conducted at the time of eligibility screening.

Debts owed and termination information will be maintained in the EIV system. HABC will be able to access this information to determine a family's suitability for initial or continued rental assistance and avoid providing limited federal housing assistance to families who have previously been unable to comply with HUD program requirements. If the reported information is accurate, the current rental assistance may be terminated and future requests for HUD rental assistance may be denied.

Applicants/Participants have the right to request and obtain a copy of this report from HABC. Disputes must be made within three (3) years from the end of participation date. Otherwise, the debt and termination information are presumed correct.

If an applicant commits fraud, the applicant and the applicant's family may be prohibited from receiving future rental assistance for a period of up to 10 years and may be subject to prosecution by the local, state, or Federal prosecutor, which may result in being fined up to $10,000 and/or serving time in jail.

Debts owed to HABC and information regarding termination from a federally assisted housing program will be maintained in the Enterprise Income Verification (EIV) system for a period of up to ten (10) years from the end of the household's participation date.

HABC will not attempt to collect a Maryland debt that is older than 3 years.

Mandatory Denial- EIV Screening

HABC will deny assistance:

- If the applicant family has current debt to HABC or another PHA or a judgment against them in connection with participation in the HCVP or public housing program under the 1937 Act for amounts paid to an owner under a HAP contract for rent, damages to the unit or other amounts owed by the applicant family under the lease and the amount is not fully repaid within 60 calendar days from the date HABC notifies the applicant of the debt; and/or
- If the applicant family has breached a repayment agreement with HABC or another PHA entered in connection with participation in the HCVP or public housing assistance under the 1937 Act, and the amount is not fully repaid within 60 calendar days from the date of the screening appointment.

15.3.2 Criminal Background Screening

It is HABC's policy to conduct screening for drug abuse and other criminal activity in an effort to prevent future drug-related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or right to peaceful enjoyment of the premises by other tenants. In conducting screening, HABC will comply with all applicable civil rights requirements contained in the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act and Titles II and II of the Americans with Disabilities Act of 1990 and other equal opportunity provisions listed in 24 CFR 5.105. Such screening will apply to any member of the household who is 14 years of age or older at the time of lease-up or move-in, including live-in aides.

A signed Criminal Background Consent Form, authorizing the release of criminal records from law enforcement agencies must be completed by the party for whom the record is being requested or in the case of a minor the adult responsible for said minor. Failure to sign the consent form will result in the denial of assistance.

HABC will ensure that adverse housing decisions based upon criminal activity are supported by sufficient evidence that the individual engaged in such activity. HABC uses convictions, not arrest records, to determine that an individual has engaged in criminal activity. HABC may deny admission based upon the conduct underlying an arrest if the conduct indicates that the individual is not suitable for tenancy and HABC has sufficient evidence other than the fact of arrest that the individual engaged in the conduct. The conduct, not the arrest, will be the relevant factor for admissions and tenancy determination. Reliable evidence of a conviction may be the basis for determining that disqualifying conduct occurred.

HABC may use other evidence such as police reports detailing the circumstances of the arrest, witness statements and other relevant documentation to assist in making a determination that disqualifying conduct occurred.

Families are provided an opportunity to dispute the accuracy and relevance of a criminal record before admission or assistance is denied on the basis of such record. If HABC proposes to deny assistance based on criminal record information, HABC will notify the household of the proposed action and will make the record available upon request to the applicant. The applicant will have an opportunity to dispute the accuracy and relevance of the information through the informal review process.

If the criminal background check identifies a pending criminal investigation or charge, HABC will suspend an eligibility determination. HABC will inform the applicant that he/she may request reinstatement of the application within twelve (12) months of the final disposition of the case, provided the disposition is not a conviction. If reinstatement of the application is not requested within 12 months, the applicant will be withdrawn.

Mandatory Denial – Criminal Background Screening

HABC will deny assistance related to criminal background screening as a result of one of the following.

- Any member of the household has been evicted from federally assisted housing in the last three (3) years for drug-related criminal activity.
- Any household member has been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing.
- Any household member is currently engaged (any use during the previous six (6) months) in use of illegal drugs.
- HABC has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

Non-Mandatory Denial – Criminal Background Screening

- HABC will deny eligibility for admission for a period of eighteen (18) months for a misdemeanor conviction, and for a period of three (3) years for a felony conviction beginning on the date of conviction or the date the member was released from incarceration, whichever is later.

15.3.3 Sex Offender Screening

HABC will perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in Maryland, as well as in any other state where a household member is known to have resided.

If a participant who is subject to a lifetime registration requirement is erroneously admitted into the federal housing program and is found to be receiving housing assistance, HABC must immediately pursue termination of assistance.

Mandatory Denial-Sex Offender Screening

HABC will deny admission to a family if a member of the household is subject to a lifetime registration requirement under a State Sex Offender Registration Program.

15.3.4 Actions Based on Past or Current Behavior

Arrest records alone will not be used to make a determination of suitability. In addition to the criminal background check. HABC may also use the following as evidence of patterns of current and past unsuitable behavior:

- Police reports detailing the circumstances of the arrest;
- Witness statements;
- Criminal background checks for drug-related or violent criminal activity of household members within the past three years;
- Any record of evictions for suspected drug-related or violent criminal activity of household members within the past three years; and/or
- Other relevant documentation to assist HABC in making a determination that disqualifying conduct occurred.

Mandatory Denial – Past or Current Behavior

HABC will deny assistance to a family when:

- HABC determines any household member is currently engaged in the use of illegal drugs.
- HABC has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other tenants.
- HABC determines that it has reasonable cause to believe that a family member’s abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the Premises by other tenants.
- Any member of the family has been evicted from housing assisted under the program for serious violation of the lease.
- Any member of the family has engaged in or threatening violent or abusive behavior toward HABC personnel.

- *Abusive or violent behavior towards PHA personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.
    - *Threatening* refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
- The family does not provide information that HABC or HUD determines is necessary in the administration of the program.
- The family does not provide complete and true information to HABC
- Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.
- Any member of the applicant family fails to sign and submit consent forms or revokes consent forms which allow HABC to obtain information it has determined is necessary in the administration of the HCV program.
- Any family member does not disclose and provide verification of their Social Security number.
- The family does not contain at least one member who is a U.S. citizen/national or eligible non-citizen.
- The family does not meet the required **Full-Time Students**

A full-time student is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution. A full-time student is not the head, spouse, or co-head of household.

15.3.5 Veteran

A veteran is a person who served in the armed forces of the United States (Army, Navy, Air Force, Marines or Coast Guard, Reservists and/or National Guard), other than for training and was discharged or released under conditions other than dishonorable. HABC may request discharge documentation to verify honorable discharge.

- INCOME ELIGIBILITY.
- Any family member fails to meet the eligibility requirements concerning **STUDENT ELIGIBILITY**.
- Evidence of citizenship and eligible immigration status is not submitted when required (including any extensions) and/or eligible immigration status is not verified by the appropriate federal agency.

Non-Mandatory Denial – Past or Current Behavior

HABC may deny assistance if:

- HABC determines the family has misrepresented any information related to eligibility, award of preference for admission, allowances, family composition, or rent.
- HABC has terminated assistance under the program for any member of the family.

- Any member of the family has committed fraud or bribery or other corrupt or criminal act in connection with any federal housing program.
- If any household member is currently engaged in, or has engaged in felony drug related criminal activity (defined by HUD as the illegal manufacture, sale, distribution or use of a drug, or the possession of a drug with intent to manufacture, sell distribute or use the drug) within the last 12 months.
- If any household member has engaged in violent criminal activity (defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage within the last 24 months.
- Evidence of such criminal activity includes, but is not limited to:
    - Any conviction for felony drug-related activity within the last 12 months
    - Any conviction for violent criminal activity within the past 24 months
- Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents, or persons residing in the immediate vicinity.

15.3.6 Duplicative Subsidy

An applicant family may not receive assistance under two (2) or more federally funded housing programs at the same time. If EIV Tenant screening results in confirmation an applicant is receiving assistance from another federally funded housing program, HABC will contact the PHA, or owner identified in the report to confirm that the family has moved out of the unit. HABC will obtain documentation of current tenancy status, including a form HUD-50058 or 50059 as applicable, showing an end of participation. HABC will only approve assistance contingent upon the move-out from the currently occupied assisted unit.

15.3.7 VASH Screening

Eligibility screening for VASH vouchers is limited to two criteria, and HABC may not deny a VASH household for any reason other than the following:

- Income for the household size. The household's income must not exceed the HUD income limit (see **Income Limits for VASH**).
- Sex offender status. No adult household member may be subject to a lifetime registration requirement under a state sex offender registration program.

15.3.8 Rights for Applicants Denied Based on Criminal Record or Sex Offender Registration

If denial of assistance is based on a criminal record or lifetime registration information, an applicant family appears to be ineligible, HABC will notify the family in writing of the proposed denial and provide access to the record to the head of household (applicant) and to the subject of the record. The family will be given ten (10) business days to dispute the accuracy and relevance of the information.

If the family does not contact HABC to dispute the information within ten (10) business days, HABC will proceed with the denial of admission. A family that does not exercise their right to dispute the accuracy

of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal review process.

15.3.9 Denial Based on Information from Baltimore City Fire Records

Where a family is claiming an emergency preference due to natural disaster where their existing unit was damaged by fire, HABC will review Fire Department Records. If it is determined that the fire is the result of arson or the willful malfeasance of the family or visitor; or the gross negligence or misuse of the facilities by a family member or visitor, the family will be found to be ineligible for assistance.

15.3.10 Mitigating Factors

On a case-by-case basis, HABC may conclude there are factors to consider before deciding to deny a family assistance in the Housing Choice Voucher Program. Upon review by the Senior Vice President, or designee, HABC may cancel a denial notice or reinstate an application. Factors that may be considered for any listed circumstance include:

- The effects that denial of assistance may have on other members of the family who were not involved in the action or failure.
- Circumstances which led to the creation of the debt, i.e. death of a household member, economy-related layoff.
- The length of time since the debt was incurred, the family's recent history and the likelihood of favorable conduct in the future.
- Removal of the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the assisted unit.
- If the applicant is an active tenant or graduate in good standing in a HABC approved city, state or federal re-entry program for ex-offenders and is meeting or has met and continues to meet the good standing requirements set forth in the re-entry program.
- The seriousness of the case, especially with respect to how it would affect other tenants.
- The effects that denial of assistance may have on other members of the family who were not involved in the action or failure.
- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or a victim of domestic violence, dating violence, sexual assault, stalking, and/or human trafficking.
- The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future.
- The level of violence, if any, of the offense for which the applicant was convicted.
- Evidence of the family's participation in or willingness to participate in social service or other appropriate counseling or rehabilitation service programs.
- Evidence of work history or history of community volunteer work.
- Satisfactory completion of probation.

- In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully. HABC will require the applicant 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 the household member having been rehabilitated successfully.
- The circumstances that led to eviction no longer exist, i.e. the criminal household member has died or is imprisoned.

15.3.11 Criteria for Deciding to Deny Assistance

HABC adopts the HUD defined criteria below for evidence and the consideration of circumstances.

Evidence Required

HABC will use the concept of the preponderance of the evidence as the standard for making all admission decisions. Preponderance of the 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. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

HABC will pursue fact-finding efforts as needed to obtain credible evidence.

Consideration of Circumstances

HABC will consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandatory. See **Mitigating Factors** for more information.

Confidentiality of Criminal Records

HABC will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.

All criminal reports, while needed, will be housed in a locked file with access limited to individuals responsible for screening and determining eligibility for initial and continued assistance and to the Senior Vice President or designee.

Misuse of the above information by any employee will be grounds for termination of employment.

15.3.12 Reasonable Accommodation

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of admission, HABC may determine whether the behavior is related to the disability. If so, upon the family's request, HABC will determine whether alternative measures are appropriate as a reasonable accommodation. HABC will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance. See discussion in **REASONABLE ACCOMMODATIONS POLICY**.

15.3.13 PROTECTIONS FOR VAWA VICTIMS

The Violence against Women Act (VAWA) prohibits any PHA from denying an applicant admission to the HCV program on the basis or as a direct result of the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant otherwise qualifies for assistance or admission.

HABC acknowledges that a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking may have an unfavorable history (e.g., a poor credit history, poor rental history, a record of previous damage to an apartment, a prior arrest record) due to adverse factors that would warrant denial under HABC's policies.

While HABC is not required to identify whether adverse factors that resulted in the applicant's denial are a result of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the applicant may inform HABC that their status as a victim is directly related to the grounds for the denial. HABC will request that the applicant provide enough information to HABC to allow HABC to make an objectively reasonable determination, based on all circumstances, whether the adverse factor is a direct result of their status as a victim.

HABC will include in its notice of denial the VAWA information described in this plan as well as including a copy of the form HUD-5382. HABC will request in writing that an applicant wishing to claim protection under VAWA notify HABC within 14 business days.

Victim Documentation

If an applicant claims the protections against denial of assistance that VAWA provides to victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking, HABC will request in writing that the applicant provide documentation supporting the claim in accordance with **Victim Documentation** discussed in this Administrative Plan.

Perpetrator Documentation

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

- A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the assisted unit.
- Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to their belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

15.3.14 Notification of Denial of Assistance

If HABC determines that the family is ineligible, HABC will notify the family in writing in a timely manner of the determination. The notice will specify:

- The reasons for ineligibility,
- The family's right to an informal review,
- The process for obtaining the informal review,
- Notification of applicant protections against denial, confidentiality requirements and request for documentation as provided by VAWA.

If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g. targeted funding, extremely low-income), the family will be returned to the waiting list. HABC will notify the family in writing that it has been returned to the waiting list and will specify the reasons for the return.

15.4 INFORMAL REVIEWS – APPLICANTS

When HABC denies an applicant, and the applicant disagrees with the decision, the applicant may request an informal review. The informal review may be conducted in-person or virtually by any person or persons designated by HABC, other than the person who made or approved the decision under review or a subordinate of that individual.

Informal reviews are provided for applicants who are denied assistance prior to the execution of the HAP contract, and who have requested an informal review. Informal reviews are intended to provide a minimum hearing requirement and need not be as elaborate as the informal hearing requirements. The exception is when an applicant is denied assistance for citizenship or eligible immigrant status, the applicant is not entitled to an informal review but may request an informal hearing (see **SUPPORTIVE HOUSING PROGRAM REFERRALS**

After twelve (12) months of participating in a transitional housing program (THP), THP participants may visit the office of HABC to request permanent housing. If the participant is within ninety (90) calendar days of completing the THP, HCV staff will request a letter of recommendation to complete the process.

All transitional/permanent supportive housing sites are required to provide HABC a letter of recommendation at the completion of the participant's supportive service requirements. This letter may approve or deny the *referral* for an applicant to get a tenant-based voucher.

Applicants that are non-compliant with their transitional/permanent supportive housing sites are scheduled for an informal meeting with HABC to review the terms of the denial and present mitigating circumstances. All parties involved, are invited to attend the informal meeting. A written decision regarding the outcome of the informal meeting may be sent to attendees within fourteen (14) business days.

PROCEDURES FOR NON-CITIZENS).

15.4.1 When a Review is Not Required

HABC will offer informal reviews to applicants for the purpose of disputing denials of admission. HABC will not offer informal reviews to applicants who have been withdrawn from the waiting list, i.e. because of failure to attend screening interviews or not responding to a waiting list update. Such failure to act on the part of the applicant prevents HABC from making an eligibility determination.

Informal reviews are not required for established policies and procedures and HABC determinations such as:

- Discretionary administrative determinations by HABC;

- General policy issues or class grievances;
- A determination of the family unit size under HABC subsidy standards;
- HABC determination not to approve an extension or suspension of the voucher term;
- HABC determination not to grant approval of the tenancy;
- HABC determination that unit selected by the applicant is not in compliance with housing quality standards;
- HABC determination that unit is not in accordance with housing quality standards due to family size or composition; or
- HABC's determination to exercise or not exercise any right or remedy against an owner under a HAP contract.

15.4.2 Informal Review Process

A request for an informal review must be received in writing by the close of the business day, no later than fourteen (14) calendar days from the date of HABC notification of denial of assistance.

Requests beyond 14 calendar days will be given at the discretion of the Senior Vice President or designee. The in-person or virtual informal review will be scheduled within 14 calendar days from the date the request is received. The person who made or approved the decision to deny assistance, or a subordinate of that person may not conduct the review.

The applicant will be given the option of presenting oral or written objections to the decision. Both HABC and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense. The review may be conducted in person or by telephone if acceptable to both parties.

A notice of the informal review findings will be provided in writing to the applicant. It shall include the decision of the informal review officer, and an explanation of the reasons for the decision. All requests for an informal review, supporting documentation, and a copy of the final decision will be retained in the family's file.

Informal Review Procedures

The informal review will be conducted by a Hearing Officer who is a person other than the one who made or approved the decision under review, or a subordinate of this person. Generally, for informal reviews, HABC's Hearing Officer will review the case and render a decision.

Upon receipt of the written request for a review, the complainant will be notified, in writing, of the date, time and location of the review. A copy of the procedures governing the review will be made available to the applicant.

- During the informal review, HABC will present its reasons and evidence supporting the denial of assistance to the applicant.
- The family will have the opportunity to present written or oral objections to HABC's decision, along with other factual or mitigating information that might lead the Hearing Officer to reconsider the determination of ineligibility and reverse the determination.

- The review will be conducted informally by the Hearing Officer. The Hearing Officer will require that HABC, the family and other tenants or witnesses conduct themselves in an orderly fashion. Failure to comply with the directives of the Hearing Officer to maintain order may result in expulsion from the proceeding or in a decision adverse to the interests of the disorderly party.

The family may:

  - Retain counsel or other representation if desired, at his/her own expense (i.e., an attorney);
  - Examine before the review all HABC's documents and regulations that are relevant to the review and may copy such documents at his/her own expense;
  - Question any witness or witnesses; and
  - Present testimony and evidence in his/her favor.

- The family is entitled to a decision made by the Hearing Officer that is based solely on the evidence presented at the review.
- If the family or HABC fails to appear at the scheduled review, the Hearing Officer may make a determination to postpone and reschedule the review or may make a determination that the party has waived his/her right to a hearing and will be withdrawn from the waiting list. Both the family and HABC will be notified of the Hearing Officer's determination.
- If the family does not request a review in accordance with HABC's established procedures, then HABC determination of ineligibility will become final. Failure to request a review will not constitute a waiver by the complainant of his/her right to contest HABC determination in an appropriate judicial proceeding.
- All requests for a review, along with the supporting documentation and a copy of the final decision will be retained in the complainant's file.
- HABC will notify the family, in writing, of its final decision after the informal review, including a brief statement of the reasons for the final decision.

15.4.3 Informal Review Decision – Denial of Assistance

In rendering a decision, the Hearing Officer will evaluate the following matters:

- Whether or not the grounds for denial were stated factually in the notice denying assistance;
- The validity of grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned;
- The validity of the evidence; whether the facts presented prove the grounds for denial of assistance; and
- If the facts prove the grounds for denial, and the denial is discretionary, HABC will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

The Hearing Officer will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 14 business days of the informal review, to the applicant and his or her representative, if any, along with proof of mailing.

If the decision to deny is overturned as a result of the informal review, processing for admission will resume.

If the family or HABC fails to appear at the scheduled hearing, the Hearing Officer may make a determination to postpone and reschedule the hearing, or may make a determination that the party has waived his/her right to a hearing and will be withdrawn from the waiting list. Both the complainant and HABC will be notified of the Hearing Officer's determination.

HABC Final Decision

HABC is not bound by informal review decisions:

- Which concern matters in which HABC is not required to provide an opportunity for an informal review.
- Which conflict with or contradict HABC MTW regulations or requirements.
- Which conflict with or contradict Federal, State or local laws.
- Which exceed the authority of the person conducting the informal review.

HABC shall send a letter to the applicant if it determines HABC is not bound by the Hearing Officer's determination within 14 business days. The letter shall include HABC's reasons for the decision.

15.5 SUPPORTIVE HOUSING PROGRAM REFERRALS

After twelve (12) months of participating in a transitional housing program (THP), THP participants may visit the office of HABC to request permanent housing. If the participant is within ninety (90) calendar days of completing the THP, HCV staff will request a letter of recommendation to complete the process.

All transitional/permanent supportive housing sites are required to provide HABC a letter of recommendation at the completion of the participant's supportive service requirements. This letter may approve or deny the *referral* for an applicant to get a tenant-based voucher.

Applicants that are non-compliant with their transitional/permanent supportive housing sites are scheduled for an informal meeting with HABC to review the terms of the denial and present mitigating circumstances. All parties involved, are invited to attend the informal meeting. A written decision regarding the outcome of the informal meeting may be sent to attendees within fourteen (14) business days.

15.6 PROCEDURES FOR NON-CITIZENS

Applicant families where all members are neither U.S. citizens nor eligible immigrants are not eligible for assistance and HABC will offer the family an opportunity for an Informal Hearing.

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 US Citizenship and Immigration Services (USCIS) appeal.

Assistance to a family may not be terminated or denied while the HABC hearing is pending, but assistance to an applicant may be delayed pending the HABC hearing.

USCIS Determination of Ineligibility

If a family member claims to be an eligible immigrant but the USCIS SAVE system and manual search do not verify the claim, HABC will notify the applicant of the decision and their right to appeal within ten (10) business days. They must appeal to the USCIS within thirty (30) calendar days or request an informal hearing with HABC either in lieu of or subsequent to the USCIS appeal.

If the family appeals to the USCIS, they must give HABC a copy of the appeal and proof of mailing or HABC may proceed to deny or terminate. The time period to request an appeal may be extended by HABC for good cause.

The request for a HABC hearing must be made within fourteen (14) calendar days of receipt of the notice offering the hearing or, if an appeal was made to the USCIS, within fourteen (14) business days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in this Administrative Plan. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members, HABC will:

- Deny the applicant family.
- Defer termination if the family is a participant and qualifies for deferral.
- Terminate the participant if the family does not qualify for deferral.

If there are eligible members in the family, HABC will offer to prorate assistance or give the family the option to remove the ineligible members.

False or Incomplete Information

When HABC has clear, concrete, or substantial documentation (such as a permanent resident card or information from another agency) that contradicts the declaration of citizenship made by an applicant or participant, an investigation will be conducted, and the individual will be given an opportunity to present relevant information.

If the individual is unable to verify their citizenship, HABC will not give him/her an opportunity to provide a new declaration as an eligible immigrant or an opportunity to elect not to contend their status.

HABC may deny or terminate assistance based on the submission of false information or misrepresentation.

All other complaints related to eligible citizen/immigrant status:

- If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide documentation or certification of eligible citizen/immigrant status.
- Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.

- Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing regarding determinations of tenant rent and Total Tenant Payment.

CHAPTER 16: TERMINATION OF ASSISTANCE AND INFORMAL HEARINGS

16.1 INTRODUCTION

This chapter outlines HABC's polices and procedures related to the termination of HCV assistance and the informal hearing procedures. It describes the circumstances under which HABC may take action to terminate a family's assistance while assistance is ongoing under an existing HAP contract. When considering termination, HABC follows established procedures to ensure due process, including providing families with written information about their obligations under the program, the specific grounds for termination, and their right to request an informal hearing to contest such decisions.

16.2 GROUNDS FOR TERMINATION OF ASSISTANCE

HUD requires HABC to terminate assistance for certain actions and inactions of the family and permits HABC to terminate assistance for certain actions or inactions of the family. In addition, a family may decide to withdraw from the program and terminate their HCV assistance at any time by notifying HABC.

16.3 MANDATORY TERMINATION OF ASSISTANCE

These are the mandatory reasons for termination of assistance.

16.3.1 Family No Longer Requires Assistance

As a family's income increases, the amount of the housing assistance payment decreases. If the amount of assistance provided by HABC is reduced to zero and remains at zero for 180 consecutive calendar days, the family's assistance terminates automatically.

16.3.2 Family Chooses to Terminate Assistance

The family may request that HABC terminate housing assistance payments and end their participation in the voucher program at any time. The request to terminate assistance should be made in writing and signed by the head of household, and spouse or cohead if applicable. The family will be required to issue notice to the property owner in accordance with their lease if they will not continue their tenancy in the unit.

16.3.3 Eviction

HABC will terminate assistance whenever a family is evicted from a unit assisted under the HCV program for a serious or repeated violation of the lease. In the case of victims or threatened victims of violence or stalking, incidents of actual or threatened violence, dating violence, sexual assault or stalking may not be construed as serious or repeated violations of the lease by the victim/threatened victim.

A family will be considered evicted if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary. If the family moves after the owner has given the family an eviction notice, HABC will determine whether the family has committed serious or repeated violations of the lease based on available evidence and may decide to terminate assistance. Upon consideration of circumstances and factors such as a judgment based on an incorrect rent share or improper eviction proceedings, HABC may, on a case-by-case basis, choose not to terminate assistance.

Serious and repeated lease violations will include, but not be limited to:

- Nonpayment of rent
- Disturbance of neighbors
- Destruction of property
- Living or housekeeping habits that cause damage to the unit or premises; and
- Criminal activity
- Unauthorized occupants
- Nonpayment of utilities or utility theft

Generally, the criteria to be used is whether or not the reason for the eviction was the fault of the tenant or guests.

16.3.4 Failure to Provide Consent

HABC will terminate assistance if any household member fails to sign and submit any consent form they are required to sign for a regular or interim reexamination. Additionally, if any member revokes their consent to the form HUD-9886-A, Authorization to Release Information (or the HABC equivalent), HABC will terminate the household's assistance.

16.3.5 Failure to Document Citizenship

HABC will terminate assistance if:

- A family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status;
- A family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family; or
- A family member, as determined by HABC, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit. Such termination will be for a period of at least 24 months. This does not apply to ineligible non-citizens already in the family where the family's assistance has been prorated.

16.3.6 Failure to Provide Social Security Documentation

HABC will terminate assistance if a household fails to provide the documentation or certification required for any household member who obtains a Social Security number or joins the household.

16.3.7 Manufacture or Production of Methamphetamine

HABC will terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

16.3.8 State Registered Lifetime Sex Offender Status

HUD regulations prohibit any household member who is subject to a state lifetime sex offender registration requirement from receiving assistance.

If HABC discovers that a member of an assisted household was subject to a lifetime registration requirement at admission and was erroneously admitted after June 25, 2001, HABC must immediately terminate assistance for the household member.

HABC will first offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, HABC will terminate assistance for the household.

16.3.9 Failure of Students to Meet Ongoing Eligibility Requirements

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have dependent children, is not residing with their parents in an HCV assisted household, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, HABC must the terminate the student's assistance if, at the time of reexamination, either the student's income or the income of the student's parents (if applicable) exceeds the applicable income limit. See **STUDENT ELIGIBILITY**.

16.3.10 Death of the Sole Family Member

HABC will end program assistance for single-member households effective at the end of the month in which the sole household member is deceased.

16.3.11 Drug and Alcohol Abuse

HABC will terminate a household's assistance if any household member is currently engaged in the use of an illegal drug or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

- "Currently engaged in" is defined as any use of illegal drugs during the previous six months.

HABC will terminate assistance if any household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

HABC will consider all credible evidence, including but not limited to, any record of arrests, convictions, or eviction of household members related to the use of illegal drugs or abuse of alcohol.

In making its decision to terminate assistance, HABC may consider alternatives and specific circumstances and may, on a case-by-case basis, choose not to terminate assistance.

16.3.12 Drug-Related and Violent Criminal Activity

Drug-related criminal activity is defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

- Drug means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).
- Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

HABC will terminate a family's assistance if any household member has violated the household's obligation not to engage in any drug-related or violent criminal activity during participation in the HCV program.

HABC will consider all credible evidence, including but not limited to, any record of arrests and/or convictions of household members related to drug-related or violent criminal activity, and any eviction or notice to evict based on drug-related or violent criminal activity.

In making its decision to terminate assistance, HABC may consider alternatives and specific circumstances and may, on a case-by-case basis, choose not to terminate assistance.

16.4 OTHER AUTHORIZED REASONS FOR TERMINATION OF ASSISTANCE

HABC may terminate a family's assistance if:

- The family has failed to comply with any family obligations under the program;
- Any household member has been evicted from federally-assisted housing in the last five years;
- HABC or any Housing Authority has ever terminated assistance under the program for any member of the household in the last three years;
- Any household member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- The family is receiving assistance under two (2) or more federally funded housing programs at the same time;
- The family currently owes rent or other amounts to HABC or any Housing Authority in connection with the HCV, Certificate, Moderate Rehabilitation or Public Housing programs under the 1937 Act;
- The family has not reimbursed HABC or any Housing Authority for amounts the Housing Authority paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease;
- The family underreported or did not report income;
- While participating in an FSS program and failing to comply, without good cause, with the family's FSS contract of participation;
- The family has breached the terms of a repayment agreement entered into with HABC or any Housing Authority;
- A household member has engaged in or threatened violent or abusive behavior toward HABC personnel.
    - "Abusive or violent behavior towards HABC personnel" includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.
    - 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.

16.4.1 Family Absence from the Unit

The family may be absent from the unit for brief periods, however, the family may not be absent from the unit for a period of more than 180 consecutive calendar days for any reason. Absence in this context means that no member of the family is residing in the unit. HABC may verify family absence through landlord provided evidence, inspection of the unit, neighbor interviews, or through utility providers. For more information on family absences, see **TEMPORARILY AND PERMANENTLY ABSENT MEMBERS**

16.4.2 Insufficient Funding

HABC may terminate a family's HAP contract if it determines that HCV funding is insufficient to support continued assistance for households in the program.

Families who have been assisted in the HCV program the longest will be the first to be terminated, excluding families that include elderly or disabled family members.

Families comprising the required number of special purpose vouchers, including nonelderly disabled (NED Category II), HUD-Veteran's Affairs Supportive Housing (HUD-VASH), and family unification program (FUP) will be the last to be terminated.

16.4.3 Misrepresentation

If the family intentionally, willingly, or knowingly commits fraud or is involved in any other illegal scheme independently or with the owner, HABC may terminate assistance. If the family has misrepresented any facts that caused HABC to overpay assistance, HABC may choose not to terminate and may offer to continue assistance provided that the family either:

1. Executes a repayment agreement within sixty (60) calendar days and makes payments in accordance with the agreement; or
2. Reimburses HABC in full within sixty (60) calendar days.

16.4.4 Missed Appointments and Deadlines

It is a family obligation to supply information, documentation, and certification as needed for HABC to fulfill its responsibilities. HABC schedules appointments and sets deadlines in order to obtain required information. The obligations also require that the family allow HABC to inspect the unit. Appointments are made for this purpose.

Appointments will be scheduled and time requirements will be imposed for the following events and circumstances:

- Eligibility for Admissions
- Verification Procedures
- Voucher Issuance and Briefings
- NSPIRE and housing quality standard Inspections
- Recertifications
- Appeals and Hearings
- Any other HABC appointments as scheduled

Typically, the family will be given two opportunities before being issued a notice of termination for breach of a family obligation. After issuance of the termination notice, if the family offers to correct the breach within the time allowed to request a hearing, the notice will be rescinded if the family offers to cure and the family does not have a history of non-compliance. Termination is subject to a request for reasonable accommodations. Where a family notified HABC on a timely basis of the need to reschedule an appointment, the appointment is not considered a missed appointment or deadline.

Acceptable reasons for missing appointments or failing to provide information by deadlines include, but are not limited to the reasons outlined below. HABC will require 3rd party verification to confirm the events below.

- Medical emergency
- Family member death
- Other family emergency

16.4.5 Baltimore City Fire Records

HABC will review Fire Department Records where a family is living in an HCVP assisted unit which is damaged by fire. If it is determined that the fire is the result of arson or the willful malfeasance of the family or visitor; or the gross negligence or misuse of the facilities by a family member or visitor, the family will be terminated and denied further participation in the program for five (5) years from the date of the fire, and must not cause another fire.

16.5 CRITERIA FOR DECIDING TO TERMINATE ASSISTANCE

HABC adopts the HUD defined criteria below for evidence and the consideration of circumstances.

16.5.1 Evidence Required

HABC will use the concept of the preponderance of the evidence as the standard for making all termination decisions. Preponderance of the 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. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

HABC will pursue fact-finding efforts as needed to obtain credible evidence.

16.5.2 Consideration of Circumstances

HABC may consider the following factors when making its decision to terminate assistance:

- The seriousness of the case, especially with respect to how it would affect other residents;
- The effects that termination of assistance may have on other members of the family who were not involved in the action or failure;
- The extent of participation or culpability of individual household members, including whether the culpable household member is a minor or a person with disabilities or a victim of domestic violence, dating violence, sexual assault or stalking;

- The length of time since the violation occurred, the household's recent history and the likelihood of favorable conduct in the future;
- In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully; and
- In the case of program abuse, the dollar amount of the overpaid assistance and whether or not a false certification was signed by the family.

HABC will require the 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.

16.5.3 Confidentiality of Criminal Records

HABC will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.

All criminal reports, while needed, will be housed in a locked file with access limited to individuals responsible for screening and determining eligibility for initial and continued assistance and to the Senior Vice President or designee.

Misuse of the above information by any employee will be grounds for termination of employment.

16.5.4 Household Definitions

Household, for the purposes of this chapter, means the family and HABC-approved live-in aide.

Guest, for purposes of this chapter means a person temporarily staying in the unit with the consent of a participant or other member of the household who has express or implied authority to so consent on behalf of the participant. See **Guests** for more information.

Other person under the participant's control, for the purposes of the definition of covered person and for this chapter, means that the person, although not staying as a guest in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the participant or other member of the household who has expressed or implied authority to so consent on behalf of the participant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not under the participant's control.

16.6 METHOD OF TERMINATION

HABC may terminate a family's assistance by:

- Terminating housing assistance payments under a current HAP contract;
- Refusing to approve a request for tenancy or to enter into a new HAP contract; or
- Refusing to process a request for or refusing to provide assistance under portability procedures.

16.6.1 Terminating the Assistance of Domestic Violence, Dating Violence, Sexual Assault or Stalking Victims and Perpetrators

See **Terminating Assistance of a VAWA Offender** and **PROTECTIONS UNDER THE VIOLENCE AGAINST WOMEN ACT (VAWA)** for policies related to VAWA.

16.7 TERMINATION OF TENANCY BY THE OWNER

Termination of an assisted tenancy is a matter between the owner and the tenant; HABC is not directly involved. However, the owner is under some constraints when terminating an assisted tenancy, and the reasons for which a tenancy is terminated dictate whether assistance also will be terminated.

During the term of the lease, the owner is not permitted to terminate the tenancy except for serious or repeated violations of the lease, certain violations of state or local law, or other good cause.

The lease must stipulate that drug-related criminal activity, arrests and/or convictions, as engaged in by the tenant, any household member, or any guest on or near the premises or any person under the tenant's control on the premises are grounds to terminate tenancy. The lease must also stipulate that the owner may evict the family when the owner determines that:

- Any household member is illegally using a drug
- A pattern of illegal use of drug by any household member interferes with the health, safety or right to peaceful enjoyment of the premises by other residents

16.7.1 Due to Serious or Repeated Lease Violations

The owner is permitted to terminate the family's tenancy for serious or repeated violations of the terms and conditions of the lease, including failure to pay rent or other amounts due under the lease, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking against that tenant. HABC's failure to make a HAP payment to the owner is not a violation of the lease between the tenant and the owner.

16.7.2 Due to Violation of Federal, State, or Local Law

The owner is permitted to terminate the tenancy if a family member violates federal, State, or local law that imposes obligations in connection with the occupancy or use of the premises.

16.7.3 Due to Criminal Activity or Alcohol Abuse

The owner may terminate tenancy during the term of the lease if any covered person, meaning any member of the household, a guest or another person under the tenant's control commits any of the following types of criminal activity:

- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises);
- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises;
- Any violent criminal activity on or near the premises; or
- Any drug-related criminal activity on or near the premises.

The owner may terminate tenancy during the term of the lease if any member of the household is:

- Fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of Maryland, is a high misdemeanor; or
- Violating a condition of probation or parole imposed under federal or state law.
- The owner may terminate tenancy for criminal activity by a household member if the owner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.
- The owner may terminate tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

16.7.4 Evidence of Criminal Activity

The owner may terminate tenancy and evict by judicial action a household for criminal activity by a covered person if the owner determines they have engaged in the criminal activity, regardless of arrest or conviction and without satisfying the standard of proof used for a criminal conviction, except in certain incidents where the criminal activity directly relates to domestic violence, dating violence, sexual assault or stalking and the tenant or an immediate member of the tenant's family is the victim or threatened victim of the domestic violence, dating violence, sexual assault or stalking.

16.7.5 Other Good Cause

During the initial lease term, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the household did or failed to do. During the initial lease term or during any extension term, other good causes include the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, "other good cause" for termination of tenancy by the owner includes:

1. Failure by the family to accept the offer of a new lease or revision;
2. 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
3. A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent).

After the initial lease term, the owner may give the family notice at any time, in accordance with the terms of the lease.

16.7.6 Owner-Initiated Eviction

The owner must give the tenant a written notice that specifies the grounds for termination of tenancy during the term of the lease. The tenancy does not terminate before the owner has given this notice, and the notice must be given at or before commencement of the eviction action.

The notice of grounds for termination may be included in, or may be combined with, any owner eviction notice to the tenant. 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. The owner may only evict the family from the unit by instituting a court action.

The owner must give HABC a copy of any eviction notice at the same time the owner notifies the family. The family is also required to give HABC a copy of any eviction notice.

If the eviction action is finalized in court, the owner must provide HABC with documentation related to the eviction, including notice of the eviction date, as soon as possible, but no later than 5 business days following the court-ordered eviction.

16.7.7 Owner Decision Whether to Terminate Tenancy

An owner who has grounds to terminate a tenancy is not required to do so and may consider all of the circumstances relevant to a particular case before making a decision. These might include:

- The nature of the offending action;
- The seriousness of the offending action;
- The effect on the community of the termination, or of the owner's failure to terminate the tenancy;
- The extent of participation by the leaseholder in the offending action;
- The effect of termination of tenancy on family members not involved in the offending activity;
- The demand for assisted housing by households who will adhere to lease responsibilities;
- The extent to which the leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action; and
- The effect of the owner's action on the integrity of the program.

The owner may require a tenant to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

In determining whether to terminate tenancy for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the owner may 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. For this purpose, the owner may require the 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.

The owner's termination of tenancy actions must be consistent with the fair housing and equal opportunity provisions in 24 CFR § 5.105.

An owner's decision to terminate tenancy for incidents related to domestic violence, dating violence, stalking or sexual assault is limited by the Violence Against Women Reauthorization Act of 2013 (VAWA).

16.7.8 Effect of Owner Tenancy Termination on the Household's Assistance

If a termination is not due to a serious or repeated violation of the lease, and if HABC has no other grounds for termination of assistance, HABC may issue a new voucher so that the family can move with continued assistance.

16.8 FAMILY OBLIGATIONS

The family must comply with the following obligations during their tenancy with the program:

- The family must supply any information that HABC determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status. "Information" includes any requested certification, release or other documentation.
- The family must supply any information requested by HABC at any time; including for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HABC's MTW requirements.
- The family must disclose and verify Social Security Numbers and must sign and submit consent forms for obtaining information.
- All information supplied by the family must be true and complete.
- The family is responsible for a housing quality standards breach caused by the family.
- The family must allow HABC to inspect the unit at reasonable times and after reasonable notice.
- The family must allow the owner access to the unit for emergency repairs, inspection violation repairs, and regular maintenance.
- The family must pay utility bills and provide and maintain any appliance that the owner is not required to provide under the lease.
- The family must not damage the unit or premises (other than damage from ordinary wear and tear) or permit any guest to damage the unit or premises.
- The family may not commit any serious or repeated violations of the lease.
- The family must notify the owner and, at the same time, notify HABC before the family moves out of the unit or terminates the lease upon notice to the owner. The family must promptly give HABC a copy of any owner eviction notice.

NOTE: Upon vacating the unit, the family must return the keys to the landlord in a timely manner, and the unit must be free from debris and bulk trash. **These may be considered serious lease violations**:

- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- The composition of the assisted family residing in the unit must be approved by HABC. The family must promptly inform HABC of the birth, adoption or court-awarded custody of a child. The family must request HABC approval to add any other family member as an occupant of the unit.
- The family must promptly notify HABC if any family member no longer resides in the unit.

- If HABC has given approval, a foster child or a live-in aide may reside in the unit. If the family does not request approval or HABC approval is denied, the family may not allow a foster child or live-in aide to reside with the assisted family.
- Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit as a residence by members of the family.
- The family must not sublease or sublet the unit.
    - Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.
- The family must not assign the lease or transfer the unit.
- The family must supply any information or certification requested by HABC to verify that the family is living in the unit, or relating to family absence from the unit, including any HABC-requested information or certification on the purposes of family absences. The family must cooperate with HABC for this purpose. The family must promptly notify HABC of absence from the unit.
- The family must not own or have any interest in the unit.
- The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program.
- The household members may not engage in drug-related criminal activity, violent criminal activity or other serious criminal activity. The members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.
- An assisted family, or members of the family, may not receive HCV tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, State or local housing assistance program.

16.8.1 Enforcing Family Obligations

Explanations and Terms

The term "promptly" when used with the family obligations always means within thirty (30) calendar days. Denial or termination of assistance is always optional except where this Plan or the regulations state otherwise.

When neighborhood complaints proliferate, HABC may require the family to attend a meeting to review the family obligations. Three (3) required family obligation meetings in a twelve (12) month period may be grounds for termination.

Housing Quality Standards Breach

The inspector will determine if a housing quality standards breach is the responsibility of the family.

Failure to maintain housekeeping responsibilities that lead to unsafe and unsanitary conditions, and possibly serious lease violations may also lead to termination of assistance. Damages beyond ordinary wear and tear may be assessed against the security deposit under state law or in court practice. In lieu of

termination, participants may be offered the option to attend a housekeeping session hosted by HABC to remain on the program.

Families may be given extensions to cure HQS breaches by the Senior Vice President or designee.

Proposed Additions to the Family

HABC will deny the family's request to add additional family members who are:

- Persons who have been evicted from public housing.
- Persons who have previously violated a family obligation.
- Persons who had assistance that has been terminated under the Certificate or Voucher program.
- Persons who commit drug-related criminal activity, violent or other serious criminal activity.
- Persons who commit fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- Persons who currently owe rent or other amounts to HABC or to another PHA in connection with the HCV program or for other public housing assistance under the 1937 Act. HABC will not collect a Maryland debt older than three (3) years.
- Persons who have engaged in or threatened abusive or violent behavior toward HABC personnel.

NOTE: Family members may be re-added on a case-by-case basis upon approval by the Senior Vice President for HCVP, or designee.

When a Family Member Moves Out

Families are required to notify HABC within thirty (30) calendar days, if any family member leaves the assisted household. When the family notifies HABC, they must furnish the following information:

- The date the family member moved out.
- The new address, if known, of the family member.
- A statement as to whether the family member is temporarily or permanently absent.
- Or other verification as requested by HABC.

If the above information cannot be provided, HABC may proceed with other verification procedures.

Family Break-up

When a participant family breaks up into two otherwise eligible families, only one of the new families may retain the voucher. In the absence of a court order or a mutual agreement between the eligible parties, HABC has the discretion to decide which household will retain the voucher assistance.

In making its determination, HABC will take into consideration the following factors:

- The interest of any minor children, including custody arrangements;
- The interest of any ill, elderly, or disabled family members;

- The interest of any family member who is the victim of domestic violence, dating violence, sexual assault, stalking, and/or human trafficking, including a family member who was forced to leave an assisted unit as a result of such actual or threatened abuse;
- Any possible risks to family members as a result of criminal activity; and
- The recommendations of social service professionals.

Limitation on Profit-Making Activity in Unit

If HABC determines that the use of the unit as a business is not incidental to its use as a dwelling unit, it will be considered a program violation. If HABC determines the business is not legal, it will be considered a program violation.

Interest in Unit

The owner may not reside in the assisted unit regardless of whether the owner is a member of the assisted family, unless the family owns a mobile home and rents the pad.

16.9 TERMINATION NOTICE

If a family's assistance is to be terminated, whether voluntarily or involuntarily, HABC will give the family written notice that specifies:

- The reason(s) for which assistance has been terminated;
- The effective date of the termination;
- The family's right to an informal hearing; and
- The date by which a request for an informal hearing must be received by HABC.

If HABC proposes to terminate assistance for criminal activity as shown by a criminal record, HABC will provide the subject of the record and the participant with a copy of the criminal record. HABC will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the termination of assistance notice. The notice to the owner will not include any details regarding the reason for termination of assistance.

When termination is initiated by HABC, the notice to terminate will be sent to the family and the owner at least 30 calendar days prior to the effective date of the termination. However, if a family vacates the unit without informing HABC, 30 days' notice will not be given. In these cases, the notice to terminate will be sent at the time HABC learns the family has vacated the unit.

When a family requests to be terminated from the program they must do so in writing. HABC will then send a confirmation notice to the family and the owner no later than the termination effective date (as requested by the family).

16.9.1 VAWA Information

Whenever HABC decides to terminate a family's assistance because of the family's action or failure to act, HABC will include in its termination notice the VAWA information described in form HUD-5382 and form HUD-5380. HABC will request in writing that a family member wishing to claim protections under VAWA notify HABC within 14 business days of the notification of termination of assistance.

16.9.2 Terminating the HAP Contract and Lease

When the family's assistance is terminated, the lease and HAP contract terminate automatically on the effective date on the termination of assistance notice. The owner may offer the family a separate unassisted lease.

16.10 INFORMAL HEARINGS

Participants will be notified in writing when HABC makes a decision regarding continued eligibility and termination of assistance (see **TERMINATION NOTICE**).

HABC will give the family prompt notice of such determinations that will include:

- The proposed action or decision of HABC
- The date the proposed action or decision will take place
- The procedures for requesting an informal hearing if the family disputes the action or decision
- The time limit for requesting the hearing

HABC must give a participant family the opportunity for an informal hearing to consider whether the following HABC decisions relating to the individual circumstances of a participant family apply:

- HABC determination of the family's annual or adjusted income and the use of such income to compute the housing assistance payment.
- HABC determination of the appropriate utility allowance (if any) for tenant-paid utilities from HABC's utility allowance schedule.
- HABC determination of family unit size under HABC subsidy standards.
- HABC determination to terminate assistance for a participant family because of the family's action or failure to act (see 24 CFR 982.552).
- HABC determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under HABC policy and HUD rules.

HABC must always provide the opportunity for an informal hearing before termination of the housing assistance payments for the family under an outstanding HAP Contract.

16.10.1 When an Informal Hearing is Not Required

Informal hearings are not required for established policies and procedures and HABC determinations such as:

- Discretionary administrative determinations by HABC.
- General policy issues or class grievances.
- Establishment of HABC's schedule of utility allowances for families in the program.
- HABC determination not to approve an extension or suspension of a voucher term.
- HABC determination not to approve a unit or tenancy.

- HABC determination that an assisted unit is not in compliance with housing quality standards.
- HABC determination that the unit is not in accordance with housing quality standards because of the family size.
- HABC determination to exercise or not exercise any right or remedy against the owner under a HAP contract.

16.10.2 Informal Hearing Process

It is HABC's objective to resolve disputes at the lowest level possible, and to make every effort to avoid the most severe remedies. However, if this is not possible, HABC will ensure that participants will receive all of the protections and rights afforded by the law and the regulations.

A request for an informal hearing must be received in writing by the close of the business day, no later than fourteen (14) calendar days from the date of HABC's notice of termination of assistance.

When HABC receives a request for an informal hearing, an in-person or virtual hearing shall be scheduled within 14 calendar days. The notification of hearing will contain:

- The date and time of the hearing.
- The location where the hearing will be held.
- The family's right to bring evidence, witnesses, legal or other representation at the family's expense.
- The right to view any documents or evidence in the possession of HABC upon which HABC based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing.
- A notice to the family that HABC will request a copy of any documents or evidence the family will use at the hearing.

Families have the right to:

- Present written or oral objections to HABC's determination.
- Examine the documents in the file that are the basis for HABC's action, and all documents submitted to the Hearing Officer.
- Copy any relevant documents at their expense.
- Present any information or witnesses pertinent to the issue of the hearing.
- Request that HABC staff be available or present at the hearing to answer questions pertinent to the case.
- Be represented by legal counsel, advocate, or other designated representative at their own expense.

In addition to other rights contained in this Chapter, HABC has a right to:

- Present evidence and any information pertinent to the issue of the hearing.

- Be notified three (3) business days in advance of the informal hearing, if the family intends to be represented by legal counsel, advocate, or another party.
- Examine and copy any documents to be used by the family prior to the hearing.
- Have its attorney present.
- Have staff persons and other witnesses familiar with the case present.

The informal hearing shall be conducted in-person or virtually by a Hearing Officer appointed by HABC who is neither the person who made or approved the decision to terminate assistance, nor a subordinate of that person.

The basis of the hearing shall concern only the issues for which the family is being terminated. Evidence presented at the informal 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 informal hearing if requested by the other party. "Documents" includes records, photographs and regulations.

The Hearing Officer may ask the family for additional information and/or might adjourn the informal hearing in order to reconvene at a later date, before reaching a decision.

16.10.3 Informal Hearing Decision

The Hearing Officer will determine whether the action, inaction or decision of HABC is legal in accordance with HUD regulations and this Administrative Plan based upon the evidence and testimony provided at the informal 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. Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence:

1. Oral Evidence - The testimony of witnesses
2. Documentary evidence – A writing which is relevant to the case. Writings include all forms of recorded communication or representation, includes wors, pictures, sounds, videotapes, symbols, or combinations thereof.
3. Demonstrative evidence – Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer such as a model, chart, or diagram.
4. Real evidence – A tangible item relating directly to the case.

Note: Hearsay evidence is not based on a witness' personal knowledge and caries no weight when making a finding of fact. The hearing officer may include hearsay evidence when considering their decision if it is corroborated by other evidence. Although hearsay evidence is generally admissible in a hearing, the hearing officer will not base a hearing decision on hearsay alone unless there is clear probative value and credibility of the evidence.

The hearing officer may ask the family for additional information or might adjourn the hearing in order to reconvene at a later date before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of HABC will take effect and another hearing will not be granted.

A notice of the informal hearing findings shall be provided in writing to HABC and the family within fourteen (14) business days and shall include:

- A clear summary of the decision and reasons for the decision.
- If the decision involves money owed, the amount owed and documentation of the calculation of monies owed.

HABC is not bound by informal hearing decisions:

- Which concern matters in which HABC is not required to provide an opportunity for an informal hearing.
- Which conflict with or contradict HABC MTW regulations or requirements.
- Which conflict with or contradict Federal, State or local laws.
- Which exceed the authority of the person conducting the informal hearing.

HABC shall send a letter to the participant if it determines HABC is not bound by the Hearing Officer's determination within 14 business days. The letter shall include HABC's reasons for the decision.

All requests for an informal hearing, supporting documentation, and a copy of the final decision will be retained in the family's file.

HABC Final Decision

HABC is not bound by informal hearing decisions:

- Which concern matters in which HABC is not required to provide an opportunity for an informal hearing.
- Which conflict with or contradict HABC MTW regulations or requirements.
- Which conflict with or contradict Federal, State or local laws.
- Which exceed the authority of the person conducting the informal hearing.

HABC shall send a letter to the participant if it determines HABC is not bound by the Hearing Officer's determination within 14 business days. The letter shall include HABC's reasons for the decision.
All requests for an informal hearing, supporting documentation, and a copy of the final decision will be retained in the family's file.

16.11 HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS"

In accordance with the Quality Housing and Work Responsibility Act of 1998, PHAs may no longer elect not to comply with ("opt-out" of) the non-citizen requirements (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 US Citizenship and Immigration Services (USCIS) appeal.

Assistance to a family may not be terminated or denied while the HABC hearing is pending but assistance to an applicant may be delayed pending the HABC hearing.

USCIS Determination of Ineligibility

If a family member claims to be an eligible immigrant and the USCIS SAVE system and manual search do not verify the claim, HABC notifies the applicant or participant within ten (10) business days of their right to appeal. They must appeal to the USCIS within thirty (30) calendar days or request an informal hearing with HABC either in lieu of or subsequent to the USCIS appeal.

If the family appeals to the USCIS, they must give HABC a copy of the appeal and proof of mailing or HABC may proceed to deny or terminate. The time period to request an appeal may be extended by HABC for good cause.

The request for a HABC hearing must be made within fourteen (14) calendar days of receipt of the notice offering the hearing or, if an appeal was made to the USCIS, within fourteen (14) business days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in this chapter for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members, HABC will:

- Deny the applicant family.
- Defer termination if the family is a participant and qualifies for deferral.
- Terminate the participant if the family does not qualify for deferral.

If there are eligible members in the family, HABC will offer to prorate assistance or give the family the option to remove the ineligible members.

All other complaints related to eligible citizen/immigrant status:

- If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide documentation or certification of eligible citizen/immigrant status.
- Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.
- Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing regarding determinations of tenant rent and Total Tenant Payment.
- Families denied or terminated for fraud in connection with the non-citizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

16.12 PARTICIPANTS WITH DISABILITIES

When HABC is terminating assistance of existing participants, the family will be informed that presence of a disability may be considered as a mitigating circumstance during the informal hearing process. See **REASONABLE ACCOMMODATIONS POLICY.**

16.13 PROTECTIONS UNDER THE VIOLENCE AGAINST WOMEN ACT (VAWA)

The VAWA 2022 statute provides specific protections against termination of HCV assistance for victims of domestic violence, dating violence, sexual assault, or stalking. VAWA prohibits HABC from terminating assistance to a family that moves out of an assisted unit in violation of the lease, with or without prior notification to HABC, if the move occurred to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, sexual assault stalking, or human trafficking, and who reasonably believed they were imminently threatened by harm from further violence if they remained in the unit.

VAWA also prevents HABC from construing incidents of actual or threatened domestic violence, dating violence, sexual assault, stalking, or human trafficking as a serious or repeated lease violation by the victim or as good cause to terminate the assistance of the victim. HABC may terminate assistance to any tenant or lawful occupant who engages in criminal acts of physical violence against family members or others without terminating assistance to the victim of the violence. HABC may not coerce, intimidate, threaten, interfere with, or retaliate against any person who exercises or assists or encourages a person to exercise any rights or protections under VAWA. See **VAWA Provisions on Termination of Assistance to Victims** for more information.

16.13.1 Limits on VAWA Protections

VAWA does not limit HABC to terminate the assistance of a victim of abuse for reasons unrelated to domestic violence, dating violence, sexual assault, stalking, or human trafficking so long as HABC does not subject the victim to a more demanding standard than it applies to other program participants. Likewise, VAWA does not limit the authority of HABC to terminate the assistance of a VAWA victim if HABC can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the assisted property if the victim is not terminated from the program.

HUD regulations define *actual and imminent threat* to mean words, gestures, actions, or other indicators of a physical threat that (a) is real, (b) would occur within an immediate timeframe, and (c)could result in death or serious bodily harm. HABC will consider whether the threat is a physical danger beyond a speculative threat and whether the threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location or seeking a legal remedy to prevent the perpetrator from acting on the threat.

CHAPTER 17: OWNER AND FAMILY DEBTS

17.1 INTRODUCTION

HABC will respond promptly to inquiries from families, owners, employees, and members of the public. All inquiries will be documented, researched and resolved. If an investigation results in the determination that an action or inaction of an owner or participant results in an overpayment of housing assistance, this chapter describes HABC policies for the recovery of the money that has been overpaid.

Generally, HABC will enter into repayment agreements in accordance with the policies contained in this chapter as a means to recover overpayments. This chapter will also detail when a repayment agreement will not be offered to an owner or the family.

17.2 DEBT RECOVERY

It is HABC 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, documentation must be present to support HABC claim that the debt is owed. Further, written documentation must be present showing 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 HABC, HABC will make every effort to collect. HABC will use a variety of collection tools to recover debts including, but not limited to:

- Requests for lump sum payments
- Civil suits
- Repayment agreements
- Abatements
- Reductions in HAP to owner
- Collection agencies
- Credit bureaus
- Income tax set-off programs

17.3 OWNER DEBTS TO HABC

If HABC determines that the owner has retained housing assistance or claimed payments the owner is not entitled to, HABC may reclaim the amounts from future housing assistance or claim payments owed to the owner for any other subsidized units under contract.

If future housing assistance or claim payments are insufficient to reclaim the amounts owed,

HABC will:

- Require the owner to pay the amount in full within sixty (60) calendar days. An extension may be granted pending review and approval of the Senior Vice President or designee.
- Pursue collections through the local court system.

- Restrict the owner from future participation, if not paid back in full.

17.3.1 Prohibited Owner Actions

An owner participating in the HCV program must not:

- Make any false statement to HABC
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program
- Charge the family rent above or below the amount specified by HABC
- Charge a security deposit other than that specified in the family's lease
- Charge the family for services that are provided to unassisted tenants at no charge
- Knowingly accept HAP for any month(s) after the family has vacated the unit
- Knowingly accept incorrect or excess housing assistance payments
- Offer bribes or illegal gratuities to HABC employees, contractors, or other representatives
- Offer payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to HABC
- Reside in the unit with an assisted family
- Commit sexual or other harassment or create a hostile environment based on the protected classes defined in Chapter 2 **FAIR HOUSING AND EQUAL ACCESS**
- Retaliate against any applicant or participant reporting/alleging sexual or other harassment or hostile environment based on the protected classes.

17.4 FAMILY DEBTS TO HABC

Families are required to reimburse HABC if they were charged less rent than required because the family either underreported or failed to report income. HABC will determine retroactive rent amounts as far back as HABC has documentation of family unreported income. If the family is unable to repay the debt within 30 days, HABC will offer to enter into a repayment agreement.

If the family refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, HABC will terminate assistance. See **Misrepresentation** for more information.

When a family refuses to repay monies owed to HABC, in addition to termination of program assistance, HABC will utilize other available collection alternatives including but not limited to the following:

- Collection agencies
- Small claims court
- Civil lawsuit
- State income tax set-off program

17.4.1 Prohibited Family Actions

Any of the following will be considered evidence of family program abuse:

- Payment to the owner in excess of amounts authorized by HABC for rent, security deposit, and additional services
- Offering bribes or illegal gratuities to HABC employees, contractors, or other representatives
- Offering payments or other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to HABC or on the family's behalf
- Use of a false name or the use of falsified, forged, or altered documents
- Intentional misreporting of family information or circumstances
- Omitted facts that were obviously known by a family member
- Admission of program abuse by an adult family member

17.5 REPAYMENT AGREEMENT FOR FAMILIES

A Repayment Agreement as used in this Plan is a document entered into between HABC and the head of household, spouse or co-head, if any, who owes a debt to HABC. The repayment agreement contains details regarding the nature of the debt, the terms of payment, any special provisions of the agreement, and the remedies available to HABC upon default of the agreement. Any repayment agreement between HABC and a family must be signed and dated by HABC and by the head of household, and/or co-head (if applicable).

If the repayment agreement is approved, the repayment amount must comply with HUD regulations as stated in PIH Notice 2018-18 (HA), Section 16 which states "the monthly retroactive rent payment plus the amount of rent the tenant pays at the time the repayment agreement is executed should be affordable and not exceed 40% of the family's monthly adjusted income."

HABC will prescribe the terms of the repayment agreement, including determining whether to enter into a repayment agreement with the family based on the circumstances surrounding the debt to HABC.

The maximum amount for which HABC will enter into a repayment agreement will be $2,500. An initial down payment will be required as per the payment schedule established in Section 17.6, unless otherwise approved the Senior Vice President for HCVP, or designee.

The maximum length of time HABC will enter into a repayment agreement with a family is twenty-four (24) months. At the discretion of the Senior Vice President or designee, a longer length of time may be authorized.

All payments are due by the close of business on the 1st day of the month. If the 1st does not fall on a business day, the due date is the close of business on the first business day after the 1st. Any repayment agreement that goes into default or gets sent to the Collection Bureau will be referred to HABC's Investigations Unit (IU).

17.5.1 No Offer of Repayment Agreement

The circumstances in which HABC may not enter into a repayment agreement are, as follows:

- If the family already has a repayment agreement in place;
- If HABC determines that the family committed program fraud;
- If HABC determines that the debt is greater than $2,500 or is so large that it would take more than twenty-four (24) months to repay; and
- If HABC determines that the family is unable to meet the payment schedule, to include the initial payment requirements unless otherwise directed by the Senior Vice President or designee.

17.6 DEBTS OWED FOR OVERPAYMENTS

If a family owes money to HABC for overpayments to an owner:

- HABC will review the circumstances resulting in the overpayment and decide whether the family must pay the full amount.
- HABC may enter into a Repayment Agreement.

17.7 LATE PAYMENTS FOR REPAYMENT AGREEMENTS

A payment will be considered to be in arrears if the payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

If the family's repayment agreement is in arrears, and the family has not contacted or made arrangements with HABC, HABC will:

- Require the family to pay the balance in full;
- Pursue civil collection of the balance due;
- Terminate the housing assistance.

If the family requests a move to another unit and has a repayment agreement in place which is not in arrears, the family will be required to undergo executive review to determine voucher issuance (see **RESTRICTIONS ON MOVES**).

If the family requests a move to another unit and is in arrears on a repayment agreement the family will be required to pay the balance in full or be terminated from the program.

17.8 DEBTS DUE TO MISREPRESENTATIONS / NON-REPORTING OF INFORMATION

HUD's definition of program fraud and abuse is a single act or pattern of actions that constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead; and that results in payment of Housing Choice Voucher (Section 8) Program funds in violation of Housing Choice Voucher (Section 8) Program requirements.

17.8.1 Family Error/Late Reporting

Families who owe money to HABC due to the family's failure to report increases in income will be required to repay, in accordance with the guidelines in the Repayment Agreement Section of this Chapter.

17.8.2 Program Fraud

If a family owes an amount as a result of program fraud, the case will be referred to the HABC's Investigations Unit (IU). If the IU concurs with the finding of fraud, the family will be required to pay the amount owed in full, and assistance to the family will be terminated. Where appropriate, HABC will refer the case for criminal prosecution.

17.8.3 Maintenance of Debts Owed Information

Debts owed and termination information will be maintained in the Enterprise Information Verification system for a period of up to ten (10) years from the end of the participation date. HABC will be able to access this information to determine a family's suitability for initial or continued rental assistance and avoid providing limited Federal housing assistance to families who have previously been unable to comply with HUD program requirements. If the reported information is accurate, the current rental assistance may be denied for a period of up to ten (10) years from the date the participant moves out of an assisted unit or were terminated from a HUD rental assistance program (OMB No. 2577-0266).

Applicants and participants have the right to request and obtain a copy of this report from HABC. Disputes must be made within three (3) years from the end of participation date. Otherwise, the debt and termination information are presumed correct.

17.9 GUIDELINES FOR REPAYMENT AGREEMENTS

Repayment agreements will be executed between HABC and the head of household/co-head only. Repayment agreements must be executed by the Senior Vice President for HCVP, or designee. The agreement will be in default when a payment is delinquent by the 5th business day of the month.

The family's assistance will be terminated unless HABC receives the balance of the repayment agreement in full within 5 business days of the termination notice.

Monthly payments may be decreased in cases of family hardship and if requested with reasonable notice from the family, verification of the hardship, and the approval of the Senior Vice President or designee.

Moves may not be approved until the debt is paid in full unless the move is the result of the following causes, and the repayment agreement is current:

- Family size exceeds the housing quality standards maximum occupancy standards;
- The HAP contract is terminated due to owner non-compliance or opt-out;
- A natural disaster.

Repayment agreements will follow the schedule below:

Initial Payment Due: (% of Total Amount)	Amount Owed	Maximum Term
25%	0 - $500	6 months
25%	$501- $1,000	12 months
50%	$1,001 - $2,500	24 months

HABC may allow a repayment agreement that exceeds $2,500 or allow a repayment timeframe up to 36 months at the written approval of the Senior Vice President or designee.

Additional Monies Owed:

If the family already has a repayment agreement in place and incurs an additional debt to HABC:

- HABC will not enter into more than one repayment agreement with the family, and the family may be referred for termination
- Additional amounts owed by the family may be added to an existing repayment agreement.

If a repayment agreement is in arrears more than five (5) business days, any new debts must be paid in full.

Execution of the Agreement:

All repayment agreements must be in writing, dated, and signed by both the family (head of household and cohead if applicable) and an HABC representative.

CHAPTER 18: PROGRAM INTEGRITY AND MONITORING

18.1 INTRODUCTION

HABC is committed to ensuring that subsidy funds made available are spent in accordance with HUD requirements. HABC will maintain complete and accurate accounts and other records for the program in accordance with its MTW requirements, in a manner that permits a speedy and effective audit. In addition, HABC will furnish accounts and other records, reports, documents and other information to HUD as required under the MTW agreement.

This chapter details the monitoring, recordkeeping and reporting practices that are to be followed by HABC and discusses the policies designed to prevent, detect, investigate, and resolve instances of program abuse or fraud.

18.2 CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

Under no circumstances will HABC undertake an inquiry or an audit of a participating family arbitrarily. HABC's expectation is that families will comply with HUD requirements, provisions of the voucher, and other program rules. HABC's staff will make every effort (formally and informally) to orient and educate all families in order to avoid unintentional violations. However, HABC has a responsibility to HUD, the community, and eligible families in need of housing assistance, to monitor participants and owners for compliance and when indicators of possible abuse come to the attention of HABC, to investigate such claims.

For purposes of this chapter, the term *error* refers to an unintentional error or omission. *Program abuse or fraud* refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

HABC will initiate an investigation of a participating family only in the event of one or more of the following circumstances:

- **Referrals, Complaints, or Tips:** HABC will follow up on referrals received by mail, by telephone or in person from other agencies, companies or persons 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.
- **Internal File Review:** A follow-up will be made if HABC staff discovers (as a function of a certification or re-examination, an interim re-determination, or a quality control review), information or facts which conflict with previous file data, HABC's knowledge of the family, or is discrepant with statements made by the family.

18.2.1 Verification of Documentation

A follow-up will be completed if HABC receives independent verification or documentation that conflicts with representations in the family's file (such as public record information or reports from credit bureaus or from other agencies).

18.3 STEPS HABC WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD

HABC management and staff will utilize various methods and practices (listed below) to prevent program abuse, non-compliance, and willful violations of program rules by applicants and participants. This policy objective is to establish confidence and trust in management by emphasizing education as the primary means to obtain compliance by families.

- **Things You Should Know (HUD-1140-OIG):** This program integrity bulletin (created by HUD's inspector general) will be furnished and explained to all applicants to promote understanding of program rules, and to clarify HABC's expectations for cooperation and compliance.
- **Program Orientation Session ("Briefing"):** Mandatory briefing sessions will be conducted by HABC staff for all prospective program participants, either prior to or upon issuance of a voucher. At the conclusion of all briefing sessions, the family representative will be required to sign an acknowledgement form to confirm that all rules and pertinent regulations were explained to them.
- **Participant Counseling:** HABC will optionally provide participant counseling as a part of every (re)certification interview in order to clarify any confusion pertaining to program rules and requirements.
- **Review and explanation of Forms:** Staff will explain all required forms and review the contents of all certification documents.
- **Use of Instructive Signs and Warnings:** Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse.
- **Participant Certification:** All family representatives will be required to sign a "Participant Certification" form, as contained in the HUD Participant Integrity Program Manual.

18.4 STEPS HABC WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD

HABC staff will maintain a high level of awareness of indicators of possible abuse and fraud by assisted families.

- **Quality Control File Reviews:** Prior to initial certification, and at the completion of all subsequent recertifications, a sampling of files may be reviewed (Quality Control File Review). Such reviews shall include, but are not limited to:
    - Assurance that verification of all income and deductions is present
    - Changes in reported Social Security Numbers or dates of birth
    - Authenticity of file documents
    - Ratio between reported income and expenditures
    - Review of signatures for consistency with previously signed file documents
    - All forms are correctly dated and signed

- **Observations:** HABC management and staff (to include inspection personnel) will maintain high awareness of circumstances that may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income. Observations will be documented in the family's hard-copy and electronic files. HABC will investigate when inconsistent or contradictory information is detected.

- **State Wage Data Record Keepers:** Inquiries to employment record-keeping agencies, as authorized under Public Law 100-628, and the Stewart B. McKinley Homeless Assistance Amendments Act of 1988, may be made annually in order to detect unreported wages or unemployment compensation benefits.

- **Credit Bureau Inquiries:** Credit Bureau inquiries may be made (with proper authorization by the applicant or participant) in the following circumstances:
    - At the time of final and continued eligibility determination;
    - When an allegation is received by the HABC wherein unreported income sources are disclosed; and
    - When a participant's expenditures exceed his/her reported income and no plausible explanation is given.

- **Independent Audits & HUD Monitoring:** HABC will use the results reported in any Independent Audit or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of HABC's error detection and abuse prevention efforts. HABC will review EIV reports as required by HUD and ensure any corrections are made within 60 calendar days from identification of a discrepancy.

HABC may investigate possible instances of error or abuse using all available PHA and public records. If necessary, HABC will require HCV families to sign consent forms for the release of additional information.

18.5 HABC HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD

HABC staff will encourage all participating families to report suspected abuse to HABC's Investigative Unit (IU). All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented and placed in the participant's file.

Investigated complaints may include, but are not limited to, the following:

- Unreported income;
- Fraud;
- Failure to report a change in household composition;
- Unauthorized occupancy;
- Subletting;
- Participant vacating without notice;
- Owner overcharging participants;

- Inspection violations;
- Illegal drug activity;
- Violent criminal activity;
- Activities that threaten the right to peaceful enjoyment of the premises by other residents; and
- Nuisance.

All allegations, complaints and tips will be carefully evaluated to determine if they warrant follow-up.

- **File Review:** An internal file review will be conducted to determine whether the subject of the allegation is a client of HABC and, if so, whether or not the information reported has been previously disclosed by the family. HABC will then determine if it 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.
- **Conclusion of Preliminary Review:** If at the conclusion of the preliminary file review there is/are fact(s) contained in the allegation which conflict with file data, and the fact(s) are independently verifiable, the IU or designee will initiate an investigation to determine if the allegation is true or false.

18.6 OVERPAYMENTS TO OWNERS

If a landlord has been overpaid as a result of fraud, misrepresentation or violation of the Housing Assistance Payment (HAP) Contract, HABC may terminate the HAP Contract and arrange for restitution to HABC and/or the family as appropriate.

18.7 HOW HABC WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD

If HABC determines that an allegation or referral warrants follow-up, HABC will secure written authorization from the applicant/participant for the release of information and continue to conduct an investigation or refer the case to the appropriate department (IU), law enforcement agency, and/or to HUD. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the items listed below.

- **Credit Bureau Inquiries (CBI):** In cases involving previously unreported income sources, a CBI inquiry may be made to determine whether the financial activity of a family conflicts with the families reported income.
- **Verification of Credit:** In cases where the financial activity conflicts with file data, a verification of credit form may be mailed to the creditor to determine the source of unreported income.
- **Employers and Ex-Employers:** Employers or ex-employers may be contacted to verify wages that may have been previously undisclosed or misreported.
- **Neighbors/Witnesses:** Neighbors and/or other witnesses may be interviewed if they are believed to have direct or indirect knowledge of facts pertaining to HABC's review.
- **Other Agencies:** Investigators, caseworkers or representatives of other benefit agencies may be contacted.

- **Public Records:** If relevant, HABC will review public records kept in any jurisdictional courthouse. Examples of public records that may be checked are real estate records, marriage and divorce records, uniform commercial code financing statements, voter registration rolls, judgments, court or police records, state wage records, utility records, and postal records.
- **Interviews with Head of Household or Family Members:** HABC will discuss the allegation (or details thereof) with the head of household or family member by scheduling an appointment at the appropriate HABC office. High standards of courtesy and professionalism will be maintained by HABC staff. If possible, an additional staff person will attend such interviews.

18.8 PLACEMENT OF DOCUMENTS, EVIDENCE AND STATEMENTS OBTAINED BY HABC

Documents and other evidence obtained by HABC staff during the course of an investigation will be considered "work product" and will be kept in either the participant's file, or in a separate "work file." In either case, the participant's file or work file shall be kept in a locked area. Such cases under review will be discussed only among HABC staff who are involved in the process or have information that may assist with the investigation.

18.9 CONCLUSION OF HABC'S INVESTIGATIVE REVIEW

HABC will base its evaluation on a preponderance of the evidence collected during its investigation (see **Evidence Required**). At the conclusion of the investigation and/or review, it will be determined whether the facts are conclusive and, if so, whether a violation has or has not occurred.

18.9.1 Evaluation of the Findings

If it is determined that a program violation has occurred, HABC will review the facts to determine:

- What type of violation has occurred (i.e. procedural, non-compliance, and/or fraud);
- Whether the violation was intentional or unintentional;
- What amount of money (if any) is owed by the family; and
- Whether the family is eligible for continued occupancy.

18.10 ACTION PROCEDURES FOR DOCUMENTED VIOLATIONS

All errors and instances of program abuse must be corrected. Whether HABC will enforce other corrective actions and penalties depends upon the nature of the error or program abuse. Once a program violation has been documented, HABC will propose the most appropriate remedy based upon the type and severity of the violation.

Procedural Non-compliance: This category applies when the family "fails to" observe a procedure or requirement of HABC, but does not misrepresent a material fact, and there are no retroactive assistance payments owed by the family.

Examples of non-compliance violations are:

- Failure to appear at a pre-scheduled appointment.
- Failure to return verification in time period specified by HABC. In such cases a notice will be sent to the family that contains the following (“Warning Notice to the Family”):

- A description of the non-compliance and the procedure, policy or obligation which was violated.
- The date by which the violation must be corrected, or the procedure complied with.
- The action which will be taken by HABC if the procedure or obligation is not complied with by the date specified.
- The consequences of repeated (similar) violations.

Procedural Non-compliance - Overpaid Assistance: When the family owes money to HABC for failure to report changes in income or assets, HABC will issue a Notification of Overpayment of Assistance. This notice will contain the following:

- A description of the violation and the date(s) of violation.
- Any amounts owed to HABC.
- A thirty (30) calendar day deadline for response.
- The right to disagree and to request an informal hearing with instructions for the request of such hearing.

Participant Fails to Comply with HABC Notice: If the participant fails to comply with HABC's notice, and a family obligation has been violated, HABC will initiate the termination of assistance.

Participant Complies with HABC Notice: When a family complies with HABC's notice, the staff person responsible will meet with the participant to discuss and explain the Family Obligation or program rule which was violated. The staff person will complete a Participant Counseling Report, give one copy to the family and retain a copy in the family's file.

Intentional Misrepresentation: When an applicant or participant falsifies, misstates, omits or otherwise misrepresents a material fact which results (or would have resulted) in an overpayment of housing assistance by HABC, HABC will evaluate whether or not:

- *The applicant/participant had knowledge that his/her actions or inactions were wrong.* This will be evaluated by determining if the applicant/participant was made aware of program requirements and prohibitions. The applicant/participant's signature on various certifications, briefing certificate, Personal Declaration, and Things You Should Know are adequate to establish knowledge of wrong doing.
- *The applicant/participant willfully violated the family obligations and/or the law*. Any of the following circumstances will be considered adequate to demonstrate willful intent:
    - An admission by the applicant/participant of the misrepresentation.
    - That the act was done repeatedly.
    - If a false name or Social Security Number was used.
    - If there were admissions to others of the illegal action or omission.
    - That the applicant/participant omitted material facts which were known to him/her (e.g., employment of self or other household member).

- That the applicant/participant falsified, forged or altered documents.
- That the applicant/participant uttered and certified to statements at interim and/or (re)certification which were later independently verified to be false.
- Offering bribes or illegal gratuities to HABC employees, contractors, and other representatives.

Dispositions of Cases Involving Misrepresentations: In all cases of misrepresentations involving efforts to recover monies owed, HABC may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

a) *Criminal Prosecution*: If HABC has established criminal intent, and the case meets the criteria for prosecution, HABC will refer the case to the local State or District Attorney, notify HUD's Regional Inspector General for Investigations (RIGI), and terminate rental assistance.

b) *Administrative Remedies*:

- Terminate assistance and demand payment of restitution in full.
- May require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit.
- Permit continued assistance at the correct level and execute an administrative repayment agreement in accordance with HABC's repayment policy (see Chapter 17

- **OWNER AND FAMILY** DEBTS).

18.10.1 Applicant/Participant Penalties for Program Abuse

HABC will inform the family in writing of its findings and remedies within 10 business days of the conclusion of the investigation. The notice will include a description of the error or program abuse, the basis on which HABC determined the error or program abuse, the remedies to be employed, and the family's right to appeal the results through the informal review or hearing process if applicable.

18.11 HABC CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of HABC staff regarding normal program administration are discussed throughout this plan. This section specifically addresses actions of an HABC staff member that are considered errors or program abuse related to the HCV program. Additional standards of conduct are listed in HABC personnel policy.

HABC caused incorrect subsidy determination include, but are not limited to:

- Failing to correctly apply program rules regarding household composition, income, assets, and/or deductions;
- Assigning the incorrect voucher size to a family;
- Errors in calculation (including but not limited to: incorrect housing assistance payments, family share of rent, or utility reimbursements).

18.11.1 De Minimis Errors

HABC will not be considered out of compliance solely due to de minimis errors in calculating family income.

De minimis errors occur when HABC's determination of a family's income deviates from the correct income determination by no more than $30 per month in monthly adjusted income (or $360 in annual adjusted income). HABC will not be issued a finding by HUD for de minimis errors in income calculation.

As HABC becomes aware of the existence of an income calculation error, HABC will correct the error(s) retroactive to the effective date of the action the error was made regardless of the dollar amount associated with the error. HABC will take corrective action to credit or repay a family if the family was overcharged tenant rent, including unintentional staff-caused errors, staff program abuse, or when HABC makes de minimis errors in the income determination.

Families will not be required to repay HABC in instances where HABC miscalculated income resulting in a family being undercharged for rent.

18.11.2 Monitoring of Program Requirements and Performance

HABC has developed monitoring procedures as part of its required internal control systems to monitor the program's requirements and performance standards. The monitoring procedures are designed to assist HABC in streamlining its operation, improving efficiency, and ensuring compliance with MTW rules and regulations.

18.12 CORRECTIONS

HABC will seek to ensure that the correct level of assistance is given to each subsidized household in accordance with this plan. Incorrect subsidy determinations, whether caused by intentional or

unintentional misrepresentation and regardless if the action caused an underpayment or overpayment of subsidy, must be corrected promptly. Increases in the family share will be implemented on the first of the month following a written 30-day notice. Any decreases in family share will become effective the first of the month following the discovery of the error. HABC will not reimburse the family for any underpayment of assistance when the underpayment clearly is caused by the family.

In cases where there has been an overpayment of subsidy due to HABC error, the participant will not be required to repay the amount. The owner will not have to repay an overpayment for an HABC error unless the contract rent exceeds the reasonable rent stated in the HAP contract.

In cases where there has been an underpayment of subsidy due to HABC error, HABC will determine the amount of rent the household should have paid, and refund to the household the difference between that amount and what they actually paid. If the household is due a refund of rent due to HABC error but owes HABC or the landlord rent, HABC may choose to retain the amount owed or pay the amount due directly to the owner on behalf of the family rather than to the family directly.

HABC policy regarding repayment is discussed in

OWNER AND FAMILY DEBTS.

18.13 MTW MONITORING

See chart below showing Requirements and Standards.

Requirement	Standard/Procedure
Reexamination of Assisted Families	**Standard:** Incomes of assisted families must be reexamined every two years on a timely basis, so any changes in HAP are effective on the applicable anniversary date. Incomes of assisted families with 100% fixed income will be reexamined every three years (36 months). HABC's compliance standard shall be reexamination of a minimum of 95% of participating households once every 2 years.
	Procedure: HCV staff schedules reexaminations to be completed within 24–36 months of the prior one, including third-party verifications, 30-day rent change notices, and participant record maintenance. Participants are notified 120 days before the effective date and must provide all required continued eligibility information. Upon completion, HABC sends written results, informs households of their informal hearing rights, and finalizes the process with the HUD MTW-50058.
Accurate HAP Payments to Owners	**Standard:** Ensure that housing assistance payments reflect the actual amount of contract rent and tenant rent initially listed on the HAP Contract, and account for any changes required due to a regular or interim reexamination and contract rent adjustments. Ensure payments are not made for any terminated HAP Contract.
	Procedure: Review HAP payment versus contract rent agreement during the reexamination procedure.
Expend available HAP funding	**Standard:** Utilize at least 95% of available and assigned HAP funds annually.
	Procedure: Continuously track funding and expenditures and identify surpluses/deficits. In the event of surplus, issue initial vouchers. In the event of deficit, determine actions necessary to bring program within available funding.
Waiting List	**Standard:** HABC will review its waiting list to answer the following questions: Has outreach been effective for families least likely to apply? Is additional outreach necessary for any particular family category, or to fill preferences?
	Procedure: Review the waiting list to determine if there are enough families to fill the number of new vouchers, which may be issued, based on funding availability.
Housing Quality Standards	**Standard:** HABC will track the number of units that did not meet NSPIRE. This information will help HABC in determining the extent to which the program has improved the quality of housing in the area. HABC's compliance standard shall be inspection of a minimum of 95% of all units at least biennially.

	Procedure: HCV staff will maintain records of all of the units that fail to meet NSPIRE standards. As deficiencies are repaired, HABC will update records to indicate new status. Records of the number of houses initially failing inspection, the number that eventually pass inspection, and the number where the HAP contract has been terminated due to violations will be tracked.

18.14 PROGRAM REPORTING

Under the MTW agreement, HABC is required to and will submit standardized reports regarding the HCV program to HUD throughout the year (see HUD/HABC MTW Agreement). Upon completion and implementation of the MTW50058 process by HUD, HABC will be required to submit household data.

18.15 RECORD KEEPING AND OTHER DATA

HABC will 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. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, HABC will ensure that all applicant and resident files are maintained in a way that protects the residents' privacy rights.

HABC will maintain documents for each family in accordance with the MTW agreement and HABC's records retention and documentation regulations.

HABC will maintain the following information for at least five years:

- A copy of the executed lease
- The HAP Contract
- The Application from the family
- Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants
- An application from each ineligible family and notice to the applicants and participants
- HUD required reports
- Unit inspection reports
- Lead-based paint inspection records as required by 24 CFR § 982.401 (j)
- Accounts and other records supporting HABC budget and financial statements for the program.
- Other records specified by MTW rules
- Income verification forms
- Copies of relevant correspondence
- All requests for lease approval
- All rent reasonableness determinations
- Interim re-determination forms and related records
- Notification of lease disapprovals, if applicable
- Records concerning denial of assistance, or termination of assistance
- All Authority records and determinations concerning informal reviews or hearings affecting an applicant or participant in the program
- Family Service Records that identify all contacts HABC has had with the family or other on behalf of the family, information and support services supplied at the

- Reexamination notices and work papers
- briefing session(s), referrals provided, and response to complaints or requests for assistance

18.16 DATA ORGANIZATION AND STORAGE

HABC shall determine the method and media for maintaining and organizing required and necessary program data (see above), both paper and electronic, to best meet HABC HCV program needs.

18.17 HCV PROGRAM MANAGEMENT ASSESSMENT OBJECTIVES

HABC operates its housing assistance program with efficiency and can demonstrate to auditors that HABC is using its resources in a manner that reflects its commitment to quality and service. Under the HUD/HABC MTW Agreement, HCV program performance shall be measured in terms of compliance with the policies and procedures identified in the Administrative Plan.

The following areas are among those to be monitored and measured:

- Selection from the Waiting List
- Reasonable Rent
- Determination of Adjusted Income
- Utility Allowance Schedule
- Quality Control Inspections
- Inspection Enforcement
- Expanding Housing Opportunities
- Payment Standards
- Scheduled Re-examinations
- Correct Tenant Rent Calculations
- Pre-Contract HQS Inspections
- Scheduled HQS Inspections
- Lease-up
- Family Self-Sufficiency Enrollment and Escrow Account Balances (as applicable for FSS)

Only an HABC Supervisor or Quality Control Specialist will perform quality control reviews. Reviews will not be conducted by the person who initially conducted the inspection. The following indicators will be reviewed:

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

The annual sample of files and records will be drawn in a random manner and provide a clear audit trail. The minimum sample size to be reviewed will relate directly to each indicator. The internal auditor shall conduct an annual review to ensure that this process is being followed.

Supervisory staff will audit not less than 5% of the following functions; reexaminations, new applications, rent adjustments, and NSPIRE inspections.

18.17.1 Records for Monitoring HABC Performance

To demonstrate compliance with its Administrative Plan, HABC will maintain records, reports and other documentation in accordance with agency requirements. This provision is intended to allow the internal

auditor to monitor and assess HABC operational procedures to ensure objectivity, accuracy and conformance with agency requirements as defined within the Administrative Plan.

CHAPTER 19: PROJECT-BASED VOUCHER & RENTAL ASSISTANCE DEMONSTRATION PROGRAMS

19.1 INTRODUCTION

The Project-Based Voucher (PBV) Program is a component of the HCV program that allows HABC to attach rental assistance to specific housing units. Families residing in PBV units receive housing assistance as long as they remain eligible and continue living in the assisted unit. PBV assistance is tied to the unit through a HAP contract between HABC and the property owner. This approach promotes long-term affordability, supports the development and preservation of quality housing, and can be used to support special populations or targeted community needs.

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, HABC's policies for the tenant-based voucher program, as outlined in this Administrative Plan, also apply to the PBV program and its participants. The PBV program generally follows the requirements of the tenant-based program; however, certain provisions do not apply. These exceptions are described in 24 CFR 983.2 or unless otherwise waived by HABC's MTW policies, as described below.

This chapter also contains policies pertaining to units converted to PBV assistance under the Rental Assistance Demonstration (RAD) Program or other asset re-positioning strategies. Policies may differ for RAD PBV units, where noted throughout this chapter. See **RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM** below for more information.

19.2 MTW PBV POLICIES

HABC has utilized its MTW authority to waive certain provisions of the PBV program. Accordingly, HABC reserves the right to identify units to receive project-based assistance, to develop the rules applying to these units and to assign funding for these units, consistent with HUD and HABC MTW policies.

In order to meet the requirements of the Thompson and Bailey consent decrees, to provide a greatly needed increase in decent and affordable housing in Baltimore City, and to create additional supportive housing facilities for in-need populations, HABC has established an Enhanced PBV Program activity which uses it MTW flexibility.

The following chart summarizes the current approved MTW waivers applicable to the PBV program. These policies are also referenced throughout the chapter within the applicable section.

	Topic	Policy Description	Regulation Waived
1.	**PBV Project Definition**	HABC will define a PBV project as a single building, multiple contiguous or non-contiguous (scattered sites) buildings, or multiple buildings on contiguous or non-contiguous parcels of land all with a single owner. A single-family building is a building with no more than four dwelling units. Additionally, HABC may elect to combine units that cumulatively meet the definition of a PBV project, but that are covered under more than one HAP Contract, into a single HAP Contract.	24 CFR 983.3(b)

	Topic	Policy Description	Regulation Waived
2.	**PBV Program Cap**	HABC may allocate up to 30% of its Tenant Based HCV funding for PB vouchers.	24 CFR 983.6
3.	**PBV Project Cap**	HABC may enter into PB Voucher HAP contracts for greater than 25% of the units in a project/development regardless of the family or household type that will occupy the units provided that the household is eligible.	24 CFR 983.6
4.	**Special Populations**	HABC may enter into a project-based HAP contract, consistent with its MTW authority, for projects that serve special populations and/or preserve affordable housing, provided the project meets established criteria.	24 CFR § 983.51(b)
5.	**Floating Units**	HABC may allow for floating units instead of identifying specific units in the HAP contract in the PB program.	24 CFR § 983.203
6.	**HAP Contract Modifications for Target Populations**	For PBV HAP contracts executed as a result of awarding vouchers for target populations, the PBV HAP contract will be amended as follows: "Subject to funding availability, owners may obtain applicants directly from the Mayor's Office of Homeless Services (MOHS) or other designated service providers for the chronically homeless and veterans or other such targeted population and refer such applicants to HABC to determine eligibility for receiving a voucher subsidy. All referrals will be placed on a waiting list maintained by HABC. Owners are required to maintain the designated unit for the term of the PBV HAP contract. In the event the owner fails to lease a designated unit to an approved applicant, such failure will be considered a default under the PBV HAP Contract. If the default is not cured within 60 calendar days, HABC can remove the unit from the HAP contract, or recapture the amount of HAP paid for the period of time the tenant was occupying such unit in violation of the terms of the PBV HAP contract."	24 CFR § 983.251(c)
7.	Amendments to PB HAP Contracts	HABC has waived the three year restriction on amending HAP contracts. HABC may amend the HAP contract at any time during the initial term of the HAP contract and during any renewal term of the HAP contract. HABC may exercise this option for all PBV units, including, but not limited to the Bailey LTA and PB units and the non-Bailey LTA PB units.	24 CFR § 983.207(b)

	Topic	Policy Description	Regulation Waived
8.	Independent Entity Requirement	HABC has waived the requirement for Independent Entities to approve AHAP/HAP Contracts, renewal terms, rent determinations and inspections of HABC owned properties. Upon approval from HUD, HABC will also waive independent entity requirements for the following additional functions for HABC-owned properties: project selection process, review of evidence of completion of rehabilitation or construction, and determination of substantial improvement for existing housing.	24 CFR 983.57
9.	**Rent Reasonableness**	HABC will utilize the flexibility in this activity to determine rent reasonableness for PBV units and will also apply the flexibility to utilize payment standards up to 135% of FMR when determining initial and re-determined rents for PBV units located in opportunity areas. This flexibility will apply to rent increases for PBV units. For scattered site projects, HABC implements an alternative method to determine rent reasonableness whereby HABC bases the rent reasonableness determination for all units in the project that are within the same submarket area on the rent reasonableness determination made for a single unit of each bedroom size.	24 CFR 983.301 and 24 CFR 983.302
10.	Rent Cap Policy – see **Rent Increases**	HABC has the discretion to place a cap on contract rent increases for PB units. The application of the rent cap is dependent on market conditions and is subject to a reasonable rent determination.	24 CFR 982.507
11.	**Bailey Long-Term Affordable (LTA) PBV Program**	The Bailey LTA PBV allows HABC to use PBVs to create long-term affordable housing units to comply with the Bailey Consent Decree. Under the Bailey LTA PBV program, HABC may create units that are compliant with the Uniform Federal Accessibility Standards (UFAS) and units to house non-elderly persons with disabilities (NEDs) in accordance with HABC's obligations under the Bailey Consent Decree. Since the Bailey Consent Decree requires the long-term affordable housing units to be equivalent to public housing units with regard to the rights, benefits and privileges provided to the leased family, certain requirements of 24 CFR Part 983 do not apply to the long-term affordable housing units.	24 CFR 983

	Topic	Policy Description	Regulation Waived
		Notwithstanding the provisions in this Plan regarding eligibility for a project-based voucher, eligible applicants offered the long-term affordable housing units will be referred from the HABC Public Housing Waiting List.	

19.3 RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM

The Rental Assistance Demonstration (RAD) program is a HUD initiative that allows PHAs and other housing providers to convert public housing and certain other HUD-assisted properties to long-term, stable Section 8 rental assistance contracts—either through Project-Based Vouchers (PBV) or Project-Based Rental Assistance (PBRA). RAD was created to address the backlog of capital needs in public housing by enabling PHAs to leverage private financing, which is something not allowed under the traditional public housing model. By converting to Section 8, properties gain access to more predictable funding streams, making it easier to invest in substantial rehabilitation or redevelopment.

HABC administers both PBV and PBRA units. This Administrative Plan covers policies specific to the PBV program and does not contain policies for PBRA units.

19.3.1 Key RAD Provisions

While RAD PBV units are administered under many of the same rules as the standard PBV program (24 CFR Part 983), there are key differences. RAD PBV is governed by the RAD statute and HUD guidance, primarily Notice PIH 2019-23 (REV-4) and subsequent updates, including Supplemental Notices 4B and 4C. These documents establish alternative requirements and waivers from standard PBV rules. Key differences include enhanced resident protections, specific relocation requirements, the ability to float assistance among like units, and unique HAP contract terms.

In addition, the definitions for proposal selection date, new construction, rehabilitation, and existing housing are not applicable for RAD PBV units.

Please see the chart below for a summary of key RAD policies, and links to where they appear within this chapter. This Administrative Plan outlines the major policy differences where RAD PBV requirements diverge from traditional PBV policies. However, for full implementation guidance, PHAs and stakeholders should refer directly to the most current HUD RAD Notices and resources available at www.radresource.net and www.hud.gov/RAD.

	Topic	Policy Description
1.	**PBV Program Cap**	RAD PBV units do not count toward the PBV program cap. They are completely excluded from the calculation of the PBV program limit.
2.	**PBV Project Cap**	RAD PBV units are fully exempt from the project caps. This allows HABC to project-base 100% of units in a RAD-converted project, regardless of tenant population or supportive services.

3.	**Exceptions to Competitive Selection**	HABC is not required to conduct its own RFP or evaluation for selection of RAD PBV units. RAD PBV assistance can be directly attached to the converting public housing units without further competitive selection.
4.	Ownership and Control	Except where permitted to facilitate the use of tax credits, during both the initial term and all renewal terms of the RAD HAP Contract, HUD will require ownership or control of the Covered Project by a public or non-profit entity. HUD may also allow ownership of the project to be transferred to a tax credit entity controlled by a for-profit entity to facilitate the use of tax credits for the Covered Project, but only if HUD determines that the PHA or a non-profit entity preserves an interest in the property. See PIH 2019-23 (RAD Notice Rev 4) for more information.
5.	Relocation & Right to Return	See PIH 2019-23 (RAD Notice Rev 4) and PIH Notice 2016-17 for guidance on planning and implementing resident relocation resulting from RAD conversions, including compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and Section 104(d) of the Housing and Community Development Act of 1974 when applicable.
6.	**Site Selection Standards**	HUD waives the provisions regarding deconcentration of poverty and expanding housing and economic opportunity for existing housing sites.
7.	**RAD Subsidy Layering Review Requirements**	Requirements vary according to the applicable version of the RAD Notice for each project. See Notice PIH 2019-23; Notice PIH 2012 32, REV-3; and/or Notice PIH 2012-32, REV-2 for more information.
8.	**Agreement to Enter Into HAP Contract (AHAP)**	For public housing conversions to PBV, there will be no AHAP. Therefore, all references to AHAP in this chapter are waived for RAD PBV units.
9.	**Contents of the PBV HAP Contract**	The RAD PBV program uses the PBV HAP contract for new construction or rehabilitated housing (Form HUD-52530A), as modified by the RAD rider (Form HUD-52621). For closings on or after January 1, 2018, HUD incorporated the RAD rider directly into the standard PBV HAP contract. For closing that occurred prior to January 1, 2018, the RAD rider must be attached to the PBV HAP contract. The distinction between "existing housing" and "rehabilitated and newly constructed housing" is overridden by RAD requirements. The project must also have an initial RAD use agreement. All public housing RAD conversion properties financed with LIHTC are also required to include an LIHTC rider.
10.	**Floating Units**	Upon request of the owner to the voucher agency that will administer the project, HUD will permit assistance to float among units within the project that are the same bedroom size. The unit to which assistance is floated must be comparable to the unit being replaced in quality and amenities.

11.	**HAP Contract Term & Extensions**	The initial RAD PBV HAP contract must be for at least 15 years and may be extended up to 20 years with HABC approval. Upon contract expiration and at each renewal, the owner must accept renewal offers for the specified units, either at the current site or, with HUD and HABC approval, at a different site via transfer of assistance. Renewals are subject to current terms and funding availability. If the contract ends due to breach, non-compliance, or lack of funding, units must be rented to households below 80% AMI at restricted rents for the remainder of the RAD use agreement. After the 20-year initial term, renewals must use HUD-approved forms and rents must be redetermined per 24 CFR 983.301 and 983.302.
12.	**HAP Contract Execution**	When the conditions of the CHAP and the RCC are met and the conversion has closed, HABC will execute the HAP contract. Project owners may select the effective date of the HAP contract as the first day of either of the two months following the completed closing.
13.	**Removal of Units from the HAP Contract**	Project owners are required to make available for occupancy by eligible tenants the number of assisted units under the terms of the HAP contract. HABC may not reduce the number of assisted units without written HUD approval. Any HUD approval of HABC's request to reduce the number of assisted units under contract is subject to conditions that HUD may impose. If units are removed from the HAP contract because a new admission's TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, HABC will reinstate the unit after the family has vacated the property. If the project is partially assisted, HABC may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR 983.207, or where the development has "floating" units.
14.	**Organization of the Waiting List**	HABC may establish and manage separate waiting lists for groups of projects or buildings that are receiving RAD PBV assistance. For any applicants on the public housing waiting list that are likely to be ineligible for admission to a covered project converting to PBV because the household's TTP is likely to exceed the RAD gross rent, HABC will consider transferring such household, consistent with program requirements for administration of waiting lists, to HABC's remaining public housing waiting lists or to another voucher waiting list, in addition to transferring such household to the waiting list for the covered project.
15.	**Organization of the Waiting List** – Transfer of the Waiting List	Upon conversion, HABC will transfer the current applicants for the RAD converted PH units to a site-based waiting list for the RAD PBV units only. HABC reserves the right to establish new preferences for the RAD site-based waiting list. Households on the prior waiting list will automatically be placed on the site-based waiting list for the RAD PBV units based on their original date and time of application.

16.	**Selection from the Waiting List** – Income Targeting	Families in place at the time of the conversion are exempt from income targeting requirements. New admissions follow standard PBV requirements. Any legacy non-RAD PBV units located in the same project are also subject to these requirements.
17.	**HABC Screening –** Prohibited Rescreening of Conversion Households	Conversion households may not be rescreened or deemed ineligible based on income, targeting, or other criteria that existed prior to conversion. They are "grandfathered" for pre-conversion conditions but must meet ongoing requirements moving forward. These households retain their tenancy rights under PBV rules, unless modified by Notice PIH 2019-23 (e.g., rent phase-in). Over-income households at conversion remain assisted until they move out, after which the unit must be leased to an eligible family. Existing residents cannot be rescreened for citizenship or have SSNs reverified. The right to return also applies to public housing residents moving into legacy non-RAD PBV units within projects that include RAD PBV units. "In-place family" refers to a household living in the property at the time of RAD conversion.
18.	**Owner Termination of Tenancy**	Projects converting from public housing to PBV under RAD have additional procedural rights that do not apply to the standard PBV program. These procedural rights will be included in the owner's lease**.** In addition to the regulations at 24 CFR 983.257 related to project owner termination of tenancy and eviction**,** the termination procedure for RAD conversions to PBV require***s*** that HABC provide adequate written notice of termination of the lease.
19.	**Continuation of Housing Assistance Payments**	**Pre-conversion residents** must be admitted to the PBV program even if their TTP equals or exceeds the gross rent. These families pay the lesser of their TTP minus utility allowance or the Zero HAP Rent Cap and remain program participants with full RAD and PBV protections. If their income later decreases, HAP can be reinstated. After 180 days without HAP, the unit must be removed from the HAP contract, but it must be reinstated if the project is fully assisted or, in partially assisted projects, unless a substitute unit was designated. If the resident becomes eligible again, the unit must be reinstated as soon as possible. **New admissions** must be eligible for HAP at move-in unless a HUD waiver is approved. After 180 days without HAP, the unit must be removed from the HAP contract and the family loses PBV program status and protections. In fully assisted projects, the unit must be reinstated after the family vacates; in partially assisted projects, the HABC may reinstate or substitute the unit. If RAD PBV rents limit new admissions due to income, HABC may request a waiver to apply pre-conversion rules to new households.
20.	**Overcrowded, Under-Occupied, and Accessible Units**	All in-place tenants at the time of conversion are eligible to remain in the project. Over-housed families should be moved into appropriately sized units if such units are available in the new or rehabbed project. If appropriately sized units are not available, the existing tenants may

		continue to be over-housed until an appropriately sized unit becomes available or until the tenant leaves the project. Once the unit turns over, it must be leased to an appropriately sized family. Any legacy non-RAD PBV units located in the same project are also subject to these requirements.
21.	**Choice Mobility**	Families wishing to move with continued tenant-based assistance must contact HABC before giving notice to terminate their lease. If the lease is properly terminated, HABC will offer the family a tenant-based voucher or comparable assistance, if available, and will prioritize the family for the next available opportunity if none is immediately available.
22.	**Turnover Cap**	If as a result of RAD, the total number of PBV units (including RAD PBV units) administered by HABC exceeds 20 percent of HABC's authorized units under its HCV ACC with HUD, HABC may establish a turnover cap. HABC is not required to provide more than three-quarters of its turnover vouchers in any single year to the residents of covered projects.
23.	**Initial Contract Rents**	Notwithstanding HUD's calculation of the initial contract rent based on the project's subsidy under the public housing program and any modifications made to the initial contact rent, the initial rents are set at the lower of: (1) an amount determined by HABC, not to exceed 110 percent of the fair market rent (FMR) or any exception payment standard approved by HUD, minus any utility allowance; (2) the reasonable rent; or (3) the rent requested by the owner.
24.	**Redetermination of Rent**	At each annual anniversary of the HAP contract, contract rents will be adjusted by the HUD-established Operating Cost Adjustment Factor (OCAF) in effect at the time. The OCAF is applied to the current contract rent, less the portion of the rent paid for debt service, subject to the availability of appropriations for each year of the contract term. In extraordinary circumstances, a PBV owner may request a waiver of the rental adjustment by OCAF and receive a rental adjustment by an alternative operating cost factor. Project Owners requesting a waiver of the rental adjustment by OCAF must submit a request with documentation 14 demonstrating the need for an alternative operating cost factor rental adjustment in order to preserve the Covered Project (see RAD Supplemental Notice 4C). RAD rents are still subject to rent reasonableness requirements.
25.	**Utility Allowances**	When contract rent amounts are set initially, the amount does not include a utility allowance. In general, the utility allowances that are used on the initial HAP contract at closing are the public housing utility allowances that are in effect prior to conversion. The CHAP must be updated prior to conversion to reflect current public housing utility allowances. At its discretion, HABC may use the FMRs and utility

		allowances in effect during the 30-day period immediately before the beginning date of the HAP contract. HUD has waived the requirement for the standard PBV program that the HCV utility allowance be used. If a site-specific utility allowance is used, the utility allowance is applicable to legacy non-RAD PBV units in the project and is calculated consistent with Notice H 2015 04.
26.	**Phase-in of Tenant Rent Increases**	For in-place tenants, if the amount the tenant would pay for rent and utilities (TTP) would increase by more than the greater of 10 percent or $25 purely as a result of conversion, the rent increase will be phased in over three years.
27.	**Informal Reviews and Hearings**	An opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to an owner action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
28.	**Resident Participation and Funding**	Residents of covered projects converting assistance to PBVs will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.
29.	**Public Housing FSS and ROSS Participants**	HABC will allow current public housing FSS participants to continue in the program after RAD conversion. These participants cannot be terminated from the program or lose assistance for failing to meet their Contract of Participation.

19.4 GENERAL PBV REQUIREMENTS

19.4.1 PBV Project Definition

MTW Policy

HABC will define a PBV project as a single building, multiple contiguous or non-contiguous (scattered sites) buildings, or multiple buildings on contiguous or non-contiguous parcels of land all with a single owner. A single-family building is a building with no more than four dwelling units. Additionally, HABC may elect to combine units that cumulatively meet the definition of a PBV project, but that are covered under more than one HAP Contract, into a single HAP Contract.

19.4.2 PBV Program Cap

MTW Policy

HABC may allocate up to 30% of its Tenant Based HCV funding for PB vouchers.

RAD Policy

RAD PBV units do not count toward the PBV program cap.

19.4.3 PBV Project Cap

MTW Policy

HABC may enter into PB Voucher HAP contracts for greater than 25% of the units in a project/development regardless of the family or household type that will occupy the units provided that the household is eligible.

Determinations of the number or percentage of project-based voucher assisted units per building or per project will be determined on a case-by-case basis. In making these determinations, HABC will take into consideration the effects of voucher concentration, as well as other relevant factors.

RAD Policy

RAD PBV units are fully exempt from the project caps. This allows HABC to project-base 100% of units in a RAD-converted project, regardless of tenant population or supportive services.

19.4.4 HABC-Owned Units

For HABC-owned units, an independent entity must perform the following functions:

- Determine rent to owner, including rent reasonableness;
- Perform unit inspections;
- Where required, review the evidence and work completion certification submitted by the owner and determine if the units are complete; and
- Determine whether to approve substantial improvement to units under a HAP contract.

See definitions of *PHA-Owned Units* and *Independent Entity* at 24 CFR 982.4.

MTW Policy

HABC has waived the requirement for Independent Entities to approve AHAP/HAP Contracts, renewal terms, rent determinations and inspections of HABC owned properties.

Upon approval from HUD, HABC will also waive independent entity requirements for the following additional functions for HABC-owned properties: project selection process, review of evidence of completion of rehabilitation or construction, and determination of substantial improvement for existing housing.

19.4.5 Special Populations

MTW Policy

HABC has identified projects that require project-based assistance in order to serve special populations and/or to retain such units as affordable housing. Consistent with the HUD/HABC Moving to Work initiative, HABC may enter into a project-based HAP contract for projects that meet the following criteria:

1. Target Population:

- At risk youth between the ages of 18-24, seeking permanent housing with the expectation those tenants will achieve independence in a matter of 2-3 years.
- Individuals or families that require enhanced services.

2. Units Covered: Up to 100% of the units in the building and/or project will utilize project base assistance as long as the project meets the requirements under the "Services" section below.

3. Services: Projects seeking 100% project-based assistance will be required to provide comprehensive social services to the targeted tenant population. Such services may include:

- Creation of individualized service plan
- Support partnerships with agencies and other programs
- Community and relationship building to create family-like support systems
- Case management with supported referrals
- Support needed to guide older adolescents through the stage of development and successfully launch them into adulthood.
- Crisis Intervention
- Promotion of healthy behaviors
- Life Management skills such as budgeting, saving, shopping, communication, cooking, nutrition and conflict resolution.
- GED/ESL, Literacy and job training, job readiness, career planning and placement
- Medical screenings
- Mentors and Tutoring
- Mental health assistance, such as treatment for substance abuse, trauma and/or depression and medication management

19.4.6 Set-Aside Vouchers for Families With Disabilities

Five hundred (500) Housing Choice Project-Based Vouchers were set-aside for issuance to owners of rental properties and developers that agreed to create and maintain project-based units for non-elderly persons with disabilities (NEDs) as defined in the Bailey Consent Decree (see **Families with Disabilities**). These vouchers are offered, in order by date and time of application, to NEDs on HABC's project-based waiting list who have been found to meet HCV eligibility criteria and, while it is in existence, who are participating in the Enhanced Leasing Assistance Program (ELAP) established under the Bailey Consent Decree, until the 500 vouchers are exhausted.

If a NED participant moves out of one of the units subsidized by one of these vouchers, the unit will be offered to the next eligible NED referred by HCV for the ELAP.

19.4.7 Funding and Incentives

Section 811 Supportive Housing for Persons with Disabilities

HABC reserves the right, in its sole discretion, to combine capital funds made available from voucher or public housing funds, with 811 funds to create units for non-elderly persons with disabilities pursuant to the Bailey Consent Decree. HABC will make these funds available through a competitive process and will require developers to demonstrate through specified documentation that the project has a gap that cannot otherwise be addressed.

These units must be tenanted by non-elderly persons with disabilities who have active applications on HABC's HCVP waiting list. In these cases, property management of included units will request and receive referrals from HABC and will be required to offer tenancy to persons meeting site eligibility requirements in the order in which names appear on the referred list.

For the purposes of meeting its obligations under the Bailey Consent Decree these units will be counted toward the total number of required project-based units.

An HABC-referred person who accepts an offer of tenancy at one of the included units will have his/her HCVP application placed in an inactive status for a minimum of one year from the date of occupancy of the unit. At the end of that period, the applicant may request reactivation of his/her application. HABC will then reactivate the application with its original application date. To further assist in meeting the above goals, HABC shall waive both the per-building cap (as set forth in 24 CFR 983.56) and the per-project cap (as set forth in 42 USC Sec. 1437f(o)(13)(D)(i)) on the percentage of units, which may be assisted with project-based voucher assistance. Rather, determinations of the number or percentage of project-based voucher assisted units per building or per project will be determined on a case-by-case basis. In making these determinations, HABC will take into consideration the effects of voucher concentration, as well as other relevant factors.

Baltimore Regional Project-Based Program

HABC reserves the right to set-aside a specific number of project-based vouchers for a Regional Project-Based mobility program. For more information on this program, please refer to the Baltimore Regional Project-Based Voucher Program Administrative Plan.

19.5 PROPOSAL AND PROJECT SELECTION

19.5.1 General Procedures for Submission and Selection

When required, HABC will announce the availability of PBVs via a Request for Proposals (RFP) consistent with broad public announcement methods including, but not limited to, the HABC website.

In order for a proposal to be considered, the owner must submit a complete proposal to HABC that responds to all of the requirements in the RFP by the published deadline date. HABC will not review any incomplete proposals and will return incomplete proposals to the proposers. Utilizing the criteria in the RFP, HABC will evaluate proposals on a first come, first served basis during the period designated for proposal submission for PBV assistance and determine which projects are eligible for funding commitments. The evaluation factors in the RFP include but are not limited to:

- The extent to which the project furthers HABC's goal of deconcentrating poverty and expanding housing and economic opportunities; and

- The extent to which a project compliments other local activity, such as the redevelopment of public housing sites, the HOME program, CDBG activities, and other development activities in a HUD-designated Enterprise Zone, Economic Community, Renewal Community or Neighborhood Stabilization Program Area.

Before selecting a PBV proposal, HABC will determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing (24 CFR 983.52 and 983.53) and meets the Site Selection Standards (24 CFR 983.55).

An owner may submit, and HABC may select, a single proposal covering multiple projects where each project consists of a single-family building, provided all projects are the same housing type (existing, rehabilitated, or newly constructed). See also HABC's MTW modified **PBV Project Definition.**

19.5.2 Methods of Competitive Selection

HABC will select PBV proposals by any of the following methods.

- **PBV Request for Proposals (RFP):** HABC may solicit proposals using a request for proposals on a competitive basis in response to an HABC request. HABC may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.
- **Proposals that were previously selected based on competition**: In order to both maximize the impact of its project-based vouchers and to minimize the number of application processes for developers, HABC may select, without issuing an RFP, a proposal for housing assisted under a Federal, State, or local government housing assistance, community development, or supportive services program that required competitive selection of proposals, where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date. HABC may not select a housing assistance proposal using this method if the competition involved any consideration that the project would receive PBV assistance. HABC reserves the right to not issue project-based voucher contracts in the event the project does not meet HABC's strategic plan initiatives.
- **HABC-owned PBV units:** HABC may utilize PBV assistance at properties owned directly or indirectly by HABC, or an affiliate of HABC, subject to HUD's requirements regarding subsidy layering, without engaging in a competitive process.

19.5.3 Exceptions to Competitive Selection

In certain cases, HABC may select projects for PBV assistance without a competitive process, provided the public is notified through HABC's Annual Plan. The following exceptions apply:

- **HABC-Owned Projects:** a project consisting of HABC-owned units may be selected noncompetitively. The units must remain HABC-owned for the first two years of the HAP contract unless HUD approves a transfer of ownership.
- **Public Housing Redevelopment or Replacement Projects (HABC-Owned or Controlled):** HABC engaged in an initiative to improve, develop, or replace a public housing property or site may select for PBV assistance an existing, newly constructed, or rehabilitated project in which the PHA

has an ownership interest or over which the PHA has control without following a competitive process.

  - HABC does not have to replace the housing on the same site as the original public housing, but the number of contract units in the replacement project may not exceed the number of units in the original public housing project by more than a de minimis amount for this exception to apply.
  - The public housing properties or sites may be in the public housing inventory at the time of project selection or they may have been removed from the public housing inventory through any available legal removal tool within five years of the project selection date.

- **Replacement Projects Not Owned or Controlled by HABC:** HABC may select for future PBV assistance a project currently under the public housing program, or a project that is replacing the public housing project, in which HABC has no ownership interest or control over, without following a competitive process, provided:
  - The project replaces a public housing site that has been removed from inventory within the last five years.
  - The PHA that owned the public housing does not administer the HCV program.
  - The project was specifically identified in the HUD-approved application (e.g., for demolition, disposition, or conversion) as replacement housing.
  - HABC does not have to replace the housing on the same site as the original public housing, but the number of contract units in the replacement project may not exceed the number of units in the original public housing project by more than a de minimis amount for this exception to apply.
- **Other Conversions:** HABC may select a project that underwent an eligibility event within five years of the project selection date, in which a family (or families) qualifies for enhanced voucher assistance under Section 8(t) of the Act and provides informed consent to relinquish its enhanced voucher for PBV assistance, without following a competitive process.
- **RAD Conversions:**

RAD Policy

When a project is selected for PBV assistance through a RAD conversion, the standard selection processes do not apply. This is because the project was already selected by HUD through the RAD application and approval process. HABC is not required to conduct its own RFP or evaluation for selection of RAD PBV units. RAD PBV assistance can be directly attached to the converting public housing units without further competitive selection.

19.5.4 Pre-Selection Requirements

Prior to selecting a proposal or project for PBV assistance, HABC will examine the proposed site to determine whether the site complies with the applicable **Site Selection Standards.**

For Existing Housing, HABC may execute a HAP contract if the following criteria are met:

- All proposed contract units in the project fully or substantially comply with the inspections standards on the proposal or project selection date (determined via inspection);
- The project meets the **ENVIRONMENTAL REVIEW** requirements, if applicable; and
- The project meets the initial inspection requirements in accordance with 24 CFR 983.103(c).

If the award of PBV assistance will be prior to selecting a project for PBV assistance, HABC must perform an analysis of the impact if project-basing 50 percent or more of HABC's authorized voucher units (including excepted units). The analysis should consider the ability of the PHA to meet the needs of the community across its tenant-based and project-based voucher portfolio, including the impact on, among others: families on the waiting list and eligible PBV families that wish to move under 24 CFR 983.26.

Site Selection Standards

It is the goal of HABC to select sites for PBV housing that supports the goals of deconcentrating poverty, expanding housing opportunities, and complying with civil rights and fair housing laws. Site selection requirements vary depending on whether the PBV assistance is for existing, rehabilitated, or newly constructed housing.

For full requirements, see 24 CFR 983.55. The chart below summarizes the requirements and applicability to each housing type.

	Site Selection Standard	Existing Housing	Rehabilitated Housing	New Construction
1.	Project-based assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. In developing the standards to apply in determining whether a proposed PBV development will be selected, HABC shall consider the criteria listed at 24 CFR 983.55(b)(1)(i)-(vii) ***RAD Policy*** This standard is not applicable to RAD PBV.	X	X	X
2.	The site is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions referenced at 24 CFR 983.55(b)(2).	X	X	X
3.	The site and neighborhood is reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants. The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, that could affect the health or safety of the project occupants, such as dangerous walks or steps; contamination; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.	X	X	X

	Site Selection Standard	Existing Housing	Rehabilitated Housing	New Construction
4.	Be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities and streets must be available to service the site. (The existence of a private disposal system and private sanitary water supply for the site, approved in accordance with law, may be considered adequate utilities.)	X	X	
5.	Promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.	X	X	
6.	Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.	X	X	
7.	Be so located that travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers is not excessive. While it is important that housing for the elderly is not totally isolated from employment opportunities, this requirement need not be adhered to rigidly for such projects.	X	X	
8.	The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.			X
9.	The site must not be located in an area of minority concentration, except as permitted under 24 CFR 983.55(e)(3), and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.			X
10.	The site must promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.			X
11.	The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate, unless there is actively in progress a concerted program to remedy the undesirable conditions.			X
12.	The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.			X

	Site Selection Standard	Existing Housing	Rehabilitated Housing	New Construction
13.	Except for housing designed for elderly persons, travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers, must not be excessive.			X

RAD Policy

The site selection standards above apply to RAD conversions; however, HUD waives the provisions regarding deconcentration of poverty and expanding housing and economic opportunity for existing housing sites.

In addition, HABC may expand housing and economic opportunities in census tracts where poverty concentration is greater than twenty percent. In accordance with 24 CFR § 983.55(b)(1), HABC has established the following additional local criteria for evaluating whether a proposed PBV site meets the goals of deconcentrating poverty and expanding housing and economic opportunities:

- A census tract in which the proposed PBV development will be located in a HUD designated Enterprise Zone, Economic Community, Renewal Community, or Neighborhood Stabilization Program Area.
- A census tract where the concentration of assisted units will be or has been decreased as a result of public housing demolition or HOPE VI redevelopment.
- A census tract where the proposed PBV development is located will be undergoing significant revitalization as a result of the dollars invested by the State of Maryland, the City of Baltimore, or Federal programming.
- A census tract where there has been a decline in poverty over the past 5 years.
- A census tract where there are meaningful opportunities for educational and economic advancement.
- A census tract adjacent to other census tracts that contain strong revitalized areas, where significant public/private investment has been made, as well as, other factors contributing to the expansion of affordable housing within the City of Baltimore.

19.5.5 HABC Notice of Project Selection

In accordance with the HABC procurement policy, HABC will notify owners in writing of developments selected and not selected for PBV awards. HABC will also provide public notice of all selections. If selected, the owner or party that submitted the selected proposal must provide a written response to HABC accepting the terms and requirements stated in the notice.

- When an **ENVIRONMENTAL REVIEW** is required, as described below, if such a review has not been conducted prior to the project or proposal selection date, HABC's written notice of project or proposal selection will state that the selection is subject to completion of a favorable

environmental review and that the project or proposal may be rejected based on the results of the environmental review in accordance with 983.56(c).

- For newly constructed and rehabilitated housing projects to which **HABC may** provide PBV assistance only in accordance with HUD subsidy layering regulations and other requirements. A subsidy layering review is required when an owner undertakes development activity and housing assistance payment subsidy under the PBV program is combined with other governmental housing assistance from Federal, State, or local agencies, including assistance such as tax concessions or tax credits. The subsidy layering review is intended to prevent excessive public assistance for the housing by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from Federal, State, or local agencies, including assistance such as tax concessions or tax credits.

HABC will not execute an AHAP or HAP contract with an owner until HUD or a housing credit agency (HCA) approved by HUD has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements. A further subsidy layering review is not required if HUD's designee has conducted a review in accordance with HUD's PBV subsidy layering review guidelines and that review included a review of PBV assistance.

The owner must disclose to the PHA any change to the information provided for purposes of the subsidy layering review, including the amount of assistance or number of units to be developed, that occurs after the subsidy layering review has been conducted and before all contract units are placed under the HAP contract, in accordance with HUD requirements. A subsidy layering review may be required to determine if such a change would result in excess public assistance to the project, as required by HUD through notification in the Federal Register.

The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements, unless the owner discloses additional assistance in accordance with HUD requirements.

Existing housing is exempt from subsidy layering requirements.

HABC may rely on the subsidy layering reviews conducted by the State of Maryland's Department of Community and Housing Development (CDA) or other independent HUD-approved entity.

Additional Assistance After HAP Contract.

For newly constructed or rehabilitated housing under a HAP contract, the owner must disclose to HABC, in accordance with HUD requirements, information regarding any additional related assistance from the Federal Government, a State, or a unit of general local government, or any agency or instrumentality thereof. Such related assistance includes but is not limited to any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

If the additional related assistance meets certain threshold and other requirements established by HUD, a subsidy layering review may be required to determine if it would result in excess public assistance to the project.

Housing assistance payments must not be more than is necessary, as determined in accordance with HUD requirements, to provide affordable housing after taking account of such related assistance. HABC will adjust the amount of the housing assistance payments to the owner to compensate in whole or in part for such related assistance.

RAD Subsidy Layering Review Requirements

RAD Policy

Applicable PIH Notice	Guidance
Projects subject to the requirements of **PIH 2019-23**	• No restriction on funds if all or nearly all ACC units are being converted. • Must follow PIH 2016-23 for ACC termination if no plans to develop more PH. • Contributions above past 3-year average operating reserves or any capital funds (RHF/DDTF) trigger subsidy layering review. • Post-HAP execution: may use PH funds for HAP through end of calendar year; beyond that, funds must be identified in the RCC.
Projects subject to the requirements of **PIH 2012-32, REV-3**	• No limit on PH funds at closing if converting all ACC units; PHA may contribute all program funds. • For ACC termination: may set aside reserve or retain funds for closeout (subject to HUD recapture). • Contributions above 3-year operating reserves or any capital funds (RHF/DDTF) trigger subsidy layering review. • Post-HAP execution: PH funds may be used for HAP through end of calendar year only if included in approved financing plan and RCC.
Projects subject to the requirements of **PIH 2012-32, REV-2**	• No restriction on PH funds at closing if converting all ACC units; may contribute all program funds. • HUD will recapture any unexpended PH funds once there are no remaining ACC units. • Contributions above 3-year operating reserves or any capital funds (RHF/DDTF) trigger subsidy layering review.

- Labor Standards apply, as described below, HABC's written notice will state that any construction contracts must incorporate a Davis-Bacon contract clause and the current applicable prevailing wage determination.

19.5.6 Ineligible Units

HABC shall not attach or pay PBV assistance to units that meet the following criteria:

- **Ineligible Housing Types:** HABC shall not attach or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living

facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes; and transitional housing.

- **Owner-Occupied Units:** HABC shall not attach or pay PBV assistance for a unit occupied by an owner. A member of a cooperative who owns shares in the project assisted under the PBV program is not considered an owner for purposes of participation in the PBV program.
- **Units Occupied by an Ineligible Family:** HABC shall not attach or pay PBV assistance for a unit that is occupied by a family who is not eligible for HCV and PBV assistance. Additionally, for a family to be eligible for assistance in the specific unit, the unit must be appropriate for the size of the family under the HABC's subsidy standards and the total tenant payment for the family must be less than the gross rent for the unit, such that the unit will be eligible for a monthly HAP.
- **Subsidized Housing Units:** HABC shall not attach or pay PBV assistance to units in any of the following types of subsidized housing:
    - A public housing unit;
    - A unit subsidized with any other form of Section 8 assistance;
    - A unit subsidized with any governmental rent subsidy;
    - A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
    - A unit subsidized with rental assistance payments under Section 521 of the Housing Act of 1949, 42 U.S.C. 1490a (a Rural Housing Service Program). However, HABC may attach assistance for a unit subsidized with Section 515 interest reduction payments (42 U.S.C. 1485);
    - A Section 202 project for non-elderly with disabilities;
    - Section 811 project-based supportive housing for persons with disabilities;
    - Section 202 supportive housing for the elderly;
    - A unit subsidized with any form of tenant-based rental assistance; or
    - A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or HABC in accordance with HUD requirements.

19.5.7 Commencement of Construction or Rehabilitation

HABC shall not enter into a HAP contract for units where:

- Construction or rehabilitation began after the date of:
    - The proposal submission (for projects selected through a competitive process), or
    - The HABC Board's approval to project-base the units (for projects not subject to competition); and
- Before the effective date of an Agreement to Enter into a Housing Assistance Payments contract (AHAP).

However, HABC may still proceed with executing a HAP contract if:

- HABC used its discretion under 24 CFR 983.154(f) to develop units without an AHAP;
- HABC signed an AHAP after construction or rehab began, as long as all requirements under 24 CFR 983.153 were met; or
- HABC plans to begin construction or rehab after the HAP contract is signed, as allowed under 24 CFR 983.157.

HUD may approve requests for additional exceptions.

19.6 ENVIRONMENTAL REVIEW

HUD environmental regulations at 24 CFR parts 50 and 58 apply to activities under the PBV program, except as provided below:

- For projects or proposals that were selected in accordance with the site selection standards in effect on or after June 6, 2024, no environmental review is required to be undertaken before entering into a HAP contract for existing housing, except to the extent a Federal environmental review is required by law or regulation relating to funding other than PBV housing assistance payments.

The "responsible entity" ("RE") is responsible for the Federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and related applicable Federal laws and authorities. The RE is generally a unit of general local government within which the project is located that exercises land use responsibility, the county, or the State. However, HUD may perform the review itself if either HABC rejects or the RE declines to perform the environmental review.

HABC may not enter into an AHAP contract or a HAP contract with an owner, and HABC, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until one of the following occurs:

- The responsible entity has determined that the activities to be undertaken are exempt under 24 CFR 85.34(a) or categorically excluded and not subject to compliance with environmental laws under 24 CFR 58.35(b);
- The responsible entity has completed the environmental review procedures required by 24 CFR Part 58, and HUD has approved the HABC's Request for Release of Funds and Certification (form HUD-7015.15). HUD approves the Request for Release of Funds and Certification by issuing a Letter to Proceed or form HUD-7015.16, thereby authorizing HABC to execute an AHAP or HAP contract, as applicable; or
- HUD has performed an environmental review under 24 CFR Part 50 and has notified the PHA in writing of environmental clearance.

HABC shall require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

19.7 DWELLING UNITS

19.7.1 Housing Quality Standards

This section establishes the minimum federal housing quality standards for PBV housing. However, HABC may elect to establish additional requirements for quality, architecture, or design of PBV housing.

The inspections standards for the tenant-based program, including those for special housing types, generally apply to the PBV program. Inspections requirements for shared housing, manufactured home space rental, and the homeownership option do not apply because these housing types are not assisted under the PBV program. The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

Lead-Based Paint Requirements

The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

19.7.1 Housing Accessibility for People with Disabilities

PBV housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The percentage of accessible dwelling units must comply with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

19.7.2 Inspecting Units

Pre-Selection Inspection

For existing housing, HABC will inspect all units before the proposal or project selection date and must determine if the project meets the definition of existing housing.

Initial Inspection

- **Existing Housing:** HABC shall inspect each contract unit before execution of the HAP contract, and shall not enter into a HAP contract covering a unit until the unit fully complies with inspections standards.
- **Newly Constructed and Rehabilitated Projects That Underwent Substantial Improvement:**

  Following completion of work pursuant to 24 CFR 983.155, HABC (or the independent entity if required) will complete the following inspections, as applicable:

  - ***(Upon implementation of the applicable HOTMA provision)*** For rehabilitated housing that is developed prior to the HAP contract term or newly constructed housing, HABC must inspect each proposed newly constructed and rehabilitated PBV unit before execution of the HAP contract. Each proposed PBV unit must fully comply with housing quality standards prior to HAP contract execution.

- ***(Upon implementation of the applicable HOTMA provision)*** For rehabilitated housing that will undergo development activity after HAP contract execution, HABC must conduct unit inspections in accordance with the requirements of 24 CFR 983.157.
- For units that underwent substantial improvement (as defined in 24 CFR 983.3(b)) pursuant to 24 CFR 983.207(d) or 983.212, inspect each unit. Each PBV unit that underwent substantial improvement must fully comply with housing quality standards prior to HABC adding the unit to the HAP contract, returning the unit temporarily removed to the HAP contract, allowing re-occupancy of the unit, and resuming housing assistance payments, as applicable.

Turnover Inspections

HABC will inspect each contract unit before providing assistance to a new family including at unit turnover. HABC will not provide assistance in turnover units until the unit fully complies with NSPIRE.

Periodic Inspections

At least biennially (once every 24 months) during the term of the HAP contract, HABC will inspect all PBV contract units in each building to ensure compliance with inspection standards.

Alternatively, HABC may elect to inspect a random sample of units, consisting of no fewer than 20% of the contract units per building. If HABC conducts sample inspections and more than 20% of the sampled units fail the initial inspection, a re-inspection of 100% of the contract units in the building will be required. Turnover inspections do not count toward fulfilling this biennial inspection requirement.

Other Inspections

HABC shall inspect contract units whenever needed to determine that the contract units comply with NSPIRE and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract, taking into account complaints and any other information coming to its attention in scheduling inspections.

See also **Types of Inspections** in the Inspections chapter.

HABC-Owned Units

> ***MTW Policy***
>
> HABC has waived the requirement for Independent Entities to conduct inspections of HABC-owned properties.

19.8 REHABILITATED AND NEWLY CONSTRUCTED UNITS

Development activity for newly constructed or rehabilitated housing projects must comply with the requirements in the sections below, as applicable.

19.8.1 Environmental Review

See requirements at **ENVIRONMENTAL REVIEW.**

19.8.2 Subsidy Layering Review

HABC may provide PBV assistance only in accordance with HUD subsidy layering regulations and other requirements. A subsidy layering review is required when an owner undertakes development activity and housing assistance payment subsidy under the PBV program is combined with other governmental housing assistance from Federal, State, or local agencies, including assistance such as tax concessions or tax credits. The subsidy layering review is intended to prevent excessive public assistance for the housing by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from Federal, State, or local agencies, including assistance such as tax concessions or tax credits.

HABC will not execute an AHAP or HAP contract with an owner until HUD or a housing credit agency (HCA) approved by HUD has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements. A further subsidy layering review is not required if HUD's designee has conducted a review in accordance with HUD's PBV subsidy layering review guidelines and that review included a review of PBV assistance.

The owner must disclose to the PHA any change to the information provided for purposes of the subsidy layering review, including the amount of assistance or number of units to be developed, that occurs after the subsidy layering review has been conducted and before all contract units are placed under the HAP contract, in accordance with HUD requirements. A subsidy layering review may be required to determine if such a change would result in excess public assistance to the project, as required by HUD through notification in the Federal Register.

The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements, unless the owner discloses additional assistance in accordance with HUD requirements.

Existing housing is exempt from subsidy layering requirements.

HABC may rely on the subsidy layering reviews conducted by the State of Maryland's Department of Community and Housing Development (CDA) or other independent HUD-approved entity.

Additional Assistance After HAP Contract.

For newly constructed or rehabilitated housing under a HAP contract, the owner must disclose to HABC, in accordance with HUD requirements, information regarding any additional related assistance from the Federal Government, a State, or a unit of general local government, or any agency or instrumentality thereof. Such related assistance includes but is not limited to any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

If the additional related assistance meets certain threshold and other requirements established by HUD, a subsidy layering review may be required to determine if it would result in excess public assistance to the project.

Housing assistance payments must not be more than is necessary, as determined in accordance with HUD requirements, to provide affordable housing after taking account of such related assistance. HABC will adjust the amount of the housing assistance payments to the owner to compensate in whole or in part for such related assistance.

RAD Subsidy Layering Review Requirements

RAD Policy

Applicable PIH Notice	Guidance
Projects subject to the requirements of **PIH 2019-23**	• No restriction on funds if all or nearly all ACC units are being converted. • Must follow PIH 2016-23 for ACC termination if no plans to develop more PH. • Contributions above past 3-year average operating reserves or any capital funds (RHF/DDTF) trigger subsidy layering review. • Post-HAP execution: may use PH funds for HAP through end of calendar year; beyond that, funds must be identified in the RCC.
Projects subject to the requirements of **PIH 2012-32, REV-3**	• No limit on PH funds at closing if converting all ACC units; PHA may contribute all program funds. • For ACC termination: may set aside reserve or retain funds for closeout (subject to HUD recapture). • Contributions above 3-year operating reserves or any capital funds (RHF/DDTF) trigger subsidy layering review. • Post-HAP execution: PH funds may be used for HAP through end of calendar year only if included in approved financing plan and RCC.
Projects subject to the requirements of **PIH 2012-32, REV-2**	• No restriction on PH funds at closing if converting all ACC units; may contribute all program funds. • HUD will recapture any unexpended PH funds once there are no remaining ACC units. • Contributions above 3-year operating reserves or any capital funds (RHF/DDTF) trigger subsidy layering review.

19.8.3 Labor Standards

When HABC exercises its discretion to allow the owner to conduct some or all development activity while the proposed PBV units are not under an Agreement or HAP contract, the applicable parties must comply with the labor standards in paragraph (c)(2) of this section from the date of proposal submission (for housing subject to competitive selection) or from the date of HABC's board resolution approving the project-basing of assistance at the project (for housing excepted from competitive selection).

In the case of development involving nine or more contract units (whether or not completed in stages):

- The owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in development of the housing; and
- The owner and the owner's contractors and subcontractors must comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable Federal labor relations laws and regulations. The PHA must monitor compliance with labor standards.

19.8.4 Other Requirements

Equal Employment Opportunity:

All development activity must follow federal equal employment opportunity requirements, including those in Executive Orders 11246, 11625, 12432, and 12138.

Accessibility

Development must comply with all applicable accessibility laws and regulations, including:

- The Fair Housing Act
- Section 504 of the Rehabilitation Act
- The Americans with Disabilities Act (ADA)
- Any required accessibility-related work must be included in the Agreement or HAP contract, as applicable.

Broadband Infrastructure

For substantial rehabilitation projects involving buildings with more than four rental units and beginning after January 19, 2017:

- Broadband infrastructure must be installed unless the owner documents that:
    - The location or building design makes it infeasible,
    - Installation would cause an undue financial burden or fundamentally alter the program.

Any broadband-related work must be included in the Agreement or HAP contract.

19.8.5 Agreement to Enter Into HAP Contract (AHAP)

To provide PBV assistance for rehabilitated or newly constructed units, HABC will first enter into an Agreement to Enter into a Housing Assistance Payments Contract (AHAP) with the owner. The AHAP will be in the form and include the contents required by HUD. It will establish deadlines for the completion of the housing and require the owner to complete the development in accordance with those deadlines. It must also include a deadline for the owner to submit required evidence of completion.

HABC will not execute an AHAP if construction or rehabilitation has already begun following proposal submission. HABC will not enter into an AHAP until both the subsidy layering review and environmental review are completed and approved, if/as applicable.

RAD Policy

For public housing conversions to PBV, there will be no AHAP. Therefore, all references to AHAP in this chapter are waived for RAD PBV units.

19.8.6 Evidence of Completion

The owner must submit evidence and certify to HABC that development activity has been completed, and that all such work was completed in accordance with the applicable requirements.

At a minimum, the owner must submit the following evidence of completion to HABC in the form and manner required by HABC:

- Owner certification that the work has been completed in accordance with NSPIRE and all requirements of the AHAP; and
- Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing.

At HABC's discretion, the AHAP may specify additional documentation that must be submitted by the owner as evidence of housing completion.

HABC-Owned Units:

> ***MTW Policy***
>
> HABC will be responsible for reviewing evidence of completion of development activity or substantial improvement to ensure all work was completed in accordance with applicable requirements. Upon HUD approval, this review will be conducted directly by HABC staff and will not require an Independent Entity for HABC-owned units.

19.8.7 HABC Acceptance of Completed Units

After HABC has received all required evidence of completion from the owner HABC will inspect the completed units to determine whether they comply with HUD's inspection standards and any additional design, architecture, or quality requirements specified by HABC in the AHAP or this Plan.

If the work has not been completed in accordance with the AHAP, HABC shall not enter into the HAP contract.

If HABC determines the work has been completed in accordance with the AHAP and that the owner has submitted all required evidence of completion, HABC will take the following action(s), according to the nature of the project or development activity:

	Scenario	**Action**
1.	For units which will not undergo development activity after HAP contract execution	Execute the HAP Contract
2.	For rehabilitated housing projects for which development activity has commenced prior to HAP contract execution	Execute the HAP Contract
3.	For development activity after the HAP contract execution.	Amend the HAP contract rider to designate the completed units as available for occupancy, or if the owner has completed all development activity as provided in the rider, amend the HAP contract to delete the rider.

	Scenario	Action
4.	For units that underwent substantial improvement in order to be added to the HAP contract.	Amend the HAP contract to add the units to the HAP contract.

HABC-Owned Units:

> ***MTW Policy***
>
> After HABC has received all required evidence of completion from the owner HABC will inspect the completed units to determine whether they comply with HUD's inspection standards and any additional design, architecture, or quality requirements specified by HABC in the AHAP or this Plan. This inspection may be conducted directly by HABC staff and does not require an Independent Entity for HABC-owned units.

19.9 HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACT

In the PBV program, the HAP contract is a single agreement between HABC and the property owner that covers multiple units within a specific property or site. This is different from the TBV program, where each HAP contract is tied to an individual unit/lease. In the PBV program, the HAP contract specifies each assisted unit, including the unit's address, bedroom size, initial rent to owner, utility responsibilities, and any additional services, maintenance responsibilities, or other special provisions applicable to the units.

The contract also states the total number of assisted units, their configuration by bedroom size, and the term and effective dates of the contract. Because it's one consolidated contract for multiple units, the PBV HAP simplifies administration for properties with many assisted units and supports long-term planning for affordable housing developments. Although units may turn over and individual tenants may change over time, the rental assistance remains tied to the designated units for the duration of the contract.

19.9.1 Contents of the PBV HAP Contract

The HAP contract specifies:

- The total number of contract units by number of bedrooms;
- Information needed to identify the site and the building or buildings where the contract units are located (i.e. the site address(es));
- Information needed to identity the specific contract units in each building (i.e. the unit addresses). The information must include the number of contract units in the building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner without charges in addition to the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (without charges in addition to rent) and utility services to be paid by the tenant;

- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8, the Fair Housing Act, and the Americans with Disabilities Act, as applicable;
- The HAP contract term;
- The initial rent to owner (for the first 12 months of the HAP contract term); and
- Whether HABC has elected not to reduce rents below the initial rent to owner.

RAD Policy

The RAD PBV program uses the PBV HAP contract for new construction or rehabilitated housing (Form HUD-52530A), as modified by the RAD rider (Form HUD-52621). For closings on or after January 1, 2018, HUD incorporated the RAD rider directly into the standard PBV HAP contract. For closing that occurred prior to January 1, 2018, the RAD rider must be attached to the PBV HAP contract.

The distinction between "existing housing" and "rehabilitated and newly constructed housing" is overridden by RAD requirements. The project must also have an initial RAD use agreement. All public housing RAD conversion properties financed with LIHTC are also required to include an LIHTC rider.

Floating Units

MTW Policy

HABC may allow for floating units instead of identifying specific units in the HAP contract in the PBV program. "Floating units" are not tied to specific apartments—any comparable unit in the building can be used for PBV assistance. This gives the owner and HABC flexibility to assign PBV units based on availability.

RAD Policy

Upon request of the owner to the voucher agency that will administer the project, HUD will permit assistance to float among units within the project that are the same bedroom size. The unit to which assistance is floated must be comparable to the unit being replaced in quality and amenities.

If HABC chooses to float units, units are not specifically identified on the HAP contract, rather the HAP contract must specify the number and type of units in the property that are RAD PBV units. The property must maintain the same number and type of RAD units from the time of the initial HAP contract execution forward.

Floating units are subject to all of the requirements in this chapter, the PBV regulations and PBV policies, including physical inspections, rent adjustments and income-mixing requirements.

HAP Contract Modifications for Target Populations

MTW Policy

For PBV HAP contracts executed as a result of awarding vouchers for target populations, the PBV HAP contract will be amended as follows:

- Subject to funding availability, owners may obtain applicants directly from the Mayor's Office of Homeless Services (MOHS) or other designated service providers for the chronically homeless and veterans or other such targeted population and refer such applicants to HABC to determine eligibility for receiving a voucher subsidy. All referrals will be placed on a waiting list maintained by HABC.
- Owners are required to maintain the designated unit for the term of the PBV HAP contract. In the event the owner fails to lease a designated unit to an approved applicant, such failure will be considered a default under the PBV HAP Contract. If the default is not cured within 60 calendar days, HABC can remove the unit from the HAP contract, or recapture the amount of HAP paid for the period of time the tenant was occupying such unit in violation of the terms of the PBV HAP contract.

19.9.2 HAP Contract Term & Extensions

HABC may enter into a HAP contract with an owner for an initial term of up to 20 years for each contract unit. The length of the term of the HAP contract for any contract unit may not be less than one year, nor more than 20 years.

HABC and owner may agree at any time before expiration of the HAP contract to execute one or more extensions of the HAP contract term. The following conditions apply:

- Each extension executed must have a term that does not exceed 20 years;
- At no time may the total remaining term of the HAP contract, with extensions, exceed 40 years;
- Before agreeing to an extension, HABC must determine that the extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities; and
- Each extension must be on the form and subject to the conditions prescribed by HUD (accounting for any HUD-approved HABC MTW waivers) at the time of the extension

See PIH Notice 2017-21 Attachment G for renewal scenarios and examples.

MTW Policy

Bailey LTA PB Units: HABC has created an amendment to the HAP contract that sets forth requirements for the Bailey LTA PB units. The amendment increases the term of the contract to 40 years, consistent with the long-term affordability period and set forth what public housing rights, privileges and benefits must be afforded the residents in Bailey LTA PBV Program units.

RAD Policy

The initial term of the HAP contract may not be for less than 15 years and may be for a term of up to 20 years upon request of the owner and with approval of the administering voucher agency.

Upon expiration of the initial term of the contract, and upon each renewal term of the contract, the owner must accept each offer to renew the contract, for the prescribed number and mix of units, either on the site of the project subject to the expiring contract or, upon request of the project owner and subject to HABC and HUD approval, at another site through a future transfer of assistance. Contracts are subject to the terms and conditions applicable at the time of each offer and further subject to the availability of appropriations for each year of each such renewal.

In the event that the HAP contract is removed due to breach, non-compliance or insufficiency of appropriations, for all units previously covered under the HAP contract, new tenants must have incomes at or below 80 percent of the area median income at the time of admission and rents may not exceed 30 percent of 80 percent of median income for an appropriate size unit for the remainder of the term of the RAD use agreement.

After the expiration of a 20-year initial term of the HAP contract, the HAP contract must be renewed on a form approved by HUD, which must include language that requires rents to be re-determined in accordance with 24 CFR 983.301 and 983.302. If the RAD PBV HAP contract was renewed or extended prior to the 20th year after conversion, then starting with the 20th year after execution of the original RAD PBV HAP contract, contract rents shall be redetermined in accordance with 24 CFR 983.302 or successor regulation.

19.9.3 HAP Contract Execution

HABC shall not enter into a HAP contract until each contract unit has been inspected and HABC has determined that the unit complies with the inspections standards.

- **For existing housing:** the HAP contract shall be executed promptly after HABC selects the owner proposal and determines the housing units have met inspection requirements.
- **For newly constructed or rehabilitated housing**: the HAP contract shall be executed after HABC has inspected the completed units and has determined that the units have been completed in accordance with applicable requirements, HUD's inspection requirements, and any additional requirements specified by the AHAP, and the owner submits all required evidence of completion.

RAD Policy

When the conditions of the CHAP and the RCC are met and the conversion has closed, HABC will execute the HAP contract. Project owners may select the effective date of the HAP contract as the first day of either of the two months following the completed closing.

19.9.4 Substitution or Addition of Contract Units

HABC may, at its discretion, amend an existing PBV HAP contract to add or substitute units within the same project. All amendments must comply with HUD regulations and align with HABC's program goals, including promoting housing stability, maintaining affordability, and ensuring compliance with quality standards.

Substitution of Units

HABC may approve the substitution of a contract unit with another unit in the same project if all of the following conditions are met:

- The substituted unit:
    - Must have the same number of bedrooms as the unit it replaces
    - Must pass an HQS/NSPIRE inspection prior to contract amendment
    - Must have a rent that HABC determines to be reasonable

Addition of Contract Units

At the discretion of HABC, and provided that the total number of units in a project that will receive PBV assistance will not exceed the limitations in **PBV Program Cap,** HABC and the owner may execute an amendment to the HAP contract to add PBV units in the same project to the contract, without a new proposal selection.

Prior to such addition(s), HABC will inspect the proposed added unit to ensure that it complies with inspections standards and must determine that the rent to owner is reasonable for the unit to be added.

The anniversary and expiration dates of the HAP contract for the additional units will be the same as the anniversary and expiration dates of the HAP contract term for the PBV units originally placed under HAP contract.

Substitution or Addition of Occupied Units

HABC will generally limit the substitution or addition of units under a PBV HAP contract to units that are vacant at the time of the owner's request.

If HABC makes an exception to this policy and the unit(s) to be substituted or added to the HAP contract are occupied, then the following requirements apply:

- The family occupying the unit must be eligible for assistance;
- The unit must be the appropriate size for the family under HABC's subsidy standards;
- The family must be selected from the waiting list in accordance with HABC's selection policies; and
- If the unit is occupied by a family with a tenant-based voucher then in order to place PBV assistance on the unit the family must agree to relinquish their tenant-based voucher and the tenant-based HAP contract for the unit must be terminated before the unit may be placed under the PBV HAP contract. If the family is in the initial term of the tenant-based lease, the family must agree to mutually terminate the tenant-based lease with the owner and enter into a PBV lease.

19.9.5 Removal of Units from the HAP Contract

Zero HAP Families

Units where a family's income has increased to the point that their rent equals the full rent amount will be removed from the HAP Contract 180 days after the last housing assistance payment. If the property is fully assisted, HABC may add the unit back to the HAP Contract once the ineligible family moves out. In a partially assisted project, HABC may replace the removed unit with the next available eligible unit.

RAD Units

RAD Policy

Project owners are required to make available for occupancy by eligible tenants the number of assisted units under the terms of the HAP contract.

HABC may not reduce the number of assisted units without written HUD approval. Any HUD approval of HABC's request to reduce the number of assisted units under contract is subject to conditions that HUD may impose.

If units are removed from the HAP contract because a new admission's TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, HABC will reinstate the unit after the family has vacated the property. If the project is partially assisted, HABC may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR 983.207, or where the development has "floating" units.

19.9.6 Remedies for Inspections Violations

HABC will abate and may terminate PBV HAP contracts for units that fail to meet inspection standards, following the same policies used in the tenant-based voucher program (see **ENFORCING OWNER AND FAMILY COMPLIANCE** in the Inspections chapter).

However, in the case of PBV contracts, HABC may also reduce the number of units under the contract if the owner fails to correct deficiencies or address vacancies timely.

If the deficiency is the responsibility of the tenant and the damage is beyond normal wear and tear then HABC may waive the owner's responsibility to fix the problem (see **FAMILY AND OWNER RESPONSIBILITIES**). In such cases where/if the owner's responsibility has been waived by HABC, HAP to the owner may not be abated; rather HABC may terminate assistance for the family and remove the unit from the HAP contract. The tenant must take all necessary steps, as allowed by the lease and state or local law, to resolve the issue.

If a deficiency is due to a fire, natural disaster, or similar extraordinary event, HABC may allow the owner to make substantial repairs under 24 CFR 983.212. However, if the unit remains occupied during this time, HABC will withhold and/or abate payments and may remove the unit from or terminate it under the HAP contract.

This section does not apply to units unavailable for occupancy in a project undergoing development activity after HAP contract execution. However, in the case of any contract unit with deficiencies that is occupied, HABC must withhold or abate housing assistance payments and remove units from or terminate the HAP contract.

Voucher Issuance Due to Inspection Noncompliance

If an owner fails to make repairs when required and the unit is removed from the HAP contract or the HAP contract is terminated, HABC will issue a tenant-based voucher to the family whose unit will be removed. A family may elect to remain in the project if the project contains a unit that meets the tenant-based voucher program requirements, with priority given to families who will remain in the same unit if there are insufficient units available to accommodate all families that wish to remain.

The voucher:

- Must be issued at least 30 days prior to the removal of the unit or termination of the HAP contract; and
- Be good for at least 90 days or longer as determined by HABC is reasonably necessary.

If the family is unable to lease a new unit within the period provided by HABC, and there are no PBV or RAD PBV units of appropriate size to offer to the family, HABC will offer, and if accepted, provide the family a selection preference for an appropriate-size public housing unit that first becomes available for occupancy after the voucher expires.

19.9.7 Housing Quality and Design Requirements

The owner is required to maintain and operate the contract units and premises in accordance with inspections standards, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with HABC and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

HABC may identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. HABC will specify any special design standards or additional requirements in the invitation for PBV proposals, the AHAP contract and the HAP contract.

19.9.8 Vacancy Payments

At HABC's discretion, on a case-by-case basis, the HAP contract may provide for vacancy payments to the owner for up to a 60-day period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment shall not 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).

HABC will decide on a case-by-case basis if HABC will provide vacancy payments to the owner. The HAP contract with the owner will contain any such agreement, including the amount of the vacancy payment and the period for which the owner will qualify for these payments.

The owner may be eligible for payment of the contract rent for the vacant unit for a maximum of 60 days. Requests for vacancy payments must be submitted to HABC within 60 days of the vacancy in order to be considered. The Housing Specialist is responsible for weighing the factors involved in determining the owner's eligibility for vacancy loss. If the owner's claims are in compliance with the guidelines, the Housing Specialist will process it for payment.

19.10 SELECTION OF PBV PROGRAM PARTICIPANTS

RAD Policy

Returning Conversion Households:

Conversion Households that were relocated from their PH unit due to the RAD conversion will be permitted to return in accordance with the RAD Relocation Plan for their project. The RAD Relocation Plan will include criteria used to determine the priority for Conversion

Households to re-occupy units at the project after rehabilitation, demolition, and/or construction is completed.

19.10.1 In-Place Families

To minimize displacement of in-place families, if an in-place family is determined to be eligible prior to placement of the family's unit on the HAP contract, the in-place family must be placed on the PBV waiting list (if the family is not already on the list) and given an absolute selection preference. If the waiting list for PBV assistance is not a project-specific waiting list, HABC will refer the family to the applicable project owner for an appropriate-size PBV unit in the specific project.

If the in-place family is a tenant-based voucher participant, program eligibility is not re-determined. However, HABC will review the household's total tenant payment to determine if the unit will be eligible for a monthly HAP.

Admission of in-place families is not subject to **Income Limits for Targeting**.

This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

19.10.2 Organization of the Waiting List

HABC currently administers a single waiting list for all units receiving PBV assistance.

Applicants may find out more information about available waiting lists and the status of those lists on the HABC website.

RAD Policy

HABC may administer one waiting list for RAD PBV units, or may establish and manage separate waiting lists for groups of projects or buildings that are receiving RAD PBV assistance.

For any applicants on the public housing waiting list that are likely to be ineligible for admission to a covered project converting to PBV because the household's TTP is likely to exceed the RAD gross rent, HABC will consider transferring such household, consistent with program requirements for administration of waiting lists, to HABC's remaining public housing waiting lists or to another voucher waiting list, in addition to transferring such household to the waiting list for the covered project.

To the extent any wait list relies on the date and time of application, the applicants shall have priority on the wait lists to which their application was transferred in accordance with the date and time of their application to the original waiting list.

RAD Policy

Transfer of the Waiting List

Upon conversion, HABC will transfer the current applicants for the RAD converted PH units to the applicable waiting list for the new RAD PBV units.

19.10.3 Preferences

The PBV waiting list(s) will be organized according to the following preferences:

1. Current HABC PBV participants in need of a transfer to another PBV unit due to reasonable accommodation or approved VAWA claim.
2. Current HABC TBV participants or applicants who have been issued a TBV, applied to the PBV waiting list(s), and are willing to voluntarily relinquish their TBV to accept a PBV unit.
    a. The TBV applicant or participant must have an active (unexpired) TBV voucher at the time of selection from the PBV waiting list.
    b. Existing TBV participants who are currently under lease in an HABC-assisted unit must have resided in their TBV-assisted unit for at least one year, have given proper notice of lease termination to their owner, and be in good standing with HABC and their current owner.
3. Current PBV participants who are in need of a transfer due to being over-housed or under-housed in their current unit (as determined by HABC).
4. All other applicants on the PBV waiting list.

19.10.4 Bailey Long-Term Affordable (LTA) PBV Program

MTW Policy

As part of its MTW program, HABC established the Bailey Long-Term Affordable Project Based Voucher (Bailey LTA PBV) Program. The Bailey LTA PBV allows HABC to use project-based vouchers to create long-term affordable housing units to comply with the Bailey Consent Decree.

Under the Bailey LTA PBV program, HABC may create units that are compliant with the Uniform Federal Accessibility Standards (UFAS) and units to house non-elderly persons with disabilities (NEDs) in accordance with HABC's obligations under the Bailey Consent Decree. The terms "long term affordable housing units" and "non-elderly persons with disabilities" are defined in the Bailey Consent Decree.

Since the Bailey Consent Decree requires the long-term affordable housing units to be equivalent to public housing units with regard to the rights, benefits and privileges provided to the leased family, certain requirements of 24 CFR Part 983 do not apply to the long-term affordable housing units.

Notwithstanding the provisions in this Plan regarding eligibility for a project-based voucher, eligible applicants offered the long-term affordable housing units will be referred from the HABC Public Housing Waiting List.

19.10.5 Selection from the Waiting List

Applicants who will occupy PBV units must be selected from the waiting list for the PBV program.

The HABC project-based selection system complies with the following program requirements:

- Applicants may only be selected from current HCV participants or from the HABC waiting list.
- HABC may operate a separate project-based waiting list notwithstanding that all tenant-based applicants who seek project-based housing can be placed on the project- based list upon request and without penalty to any other pending application for assistance.
- HABC may place a family referred by an owner of a project-based unit on its waiting list, subject to stated waiting list policies and selection preferences.
- HABC may create special project-based waiting lists to meet specific HABC goals for housing families meeting specific criteria.

The contract unit leased to each family must be appropriate for the size of the family under HABCs subsidy standards.

None of the following actions will be taken against an applicant solely because the applicant has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the waiting list for tenant-based assistance or any other available PBV waiting list.
    - However, HABC is not required to open a closed waiting list to place the family on that waiting list.
- Deny any admission preference for which the applicant is currently qualified.
- Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection from the waiting list.
- Remove the applicant from the waiting list for tenant-based voucher assistance.

RAD Policy

Income Targeting: Families in place at the time of the conversion are exempt from income targeting requirements (see **Income Targeting**). New admissions follow standard PBV requirements. Any legacy non-RAD PBV units located in the same project are also subject to these requirements.

19.10.6 HABC Screening

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. See **ELIGIBILITY FOR ADMISSION.** HABC will screen applicants for program eligibility in accordance with these requirements.

For individuals currently participating in the voucher program, eligibility was established at the time of their original admission and does not need to be re-verified when PBV assistance begins.

RAD Policy

Prohibited Rescreening of Conversion Households

Conversion households cannot be excluded from occupancy at the covered project based on any rescreening, income eligibility, or income targeting provisions. Consequently, conversion households will be grandfathered for application of any eligibility criteria to

conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion.

Post-conversion, the tenure of all residents of the covered project is protected pursuant to PBV requirements regarding continued occupancy unless explicitly modified by Notice PIH 2019-23 (e.g., rent phase-in provisions). For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR 982.201, concerning eligibility and targeting, will not apply for conversion households. Once that remaining household moves out, the unit must be leased to an eligible family. Existing residents at the time of conversion may not be rescreened for citizenship status or have their social security numbers reverified.

Further, so as to facilitate the right to return to the assisted property, this provision must apply to current public housing residents of the converting project that will reside in legacy non-RAD PBV units placed in a project that contain RAD PBV units. Such families and such contract units will otherwise be subject to all requirements of the applicable program, specifically 24 CFR 983 for legacy non-RAD PBV. Any legacy non-RAD PBV units located in the same project are also subject to the right to return.

For the RAD PBV program, in-place family means a family who lived in a pre-conversion property at the time assistance was converted from public housing to PBV under RAD.

19.10.7 Owner Screening

HABC is not responsible or liable to the owner or any other party for the behavior or tenancy suitability of families selected for PBV assistance.

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. The owner is responsible for screening and selecting families to occupy their PBV-assisted units. This includes evaluating an applicant's rental history and overall suitability as a tenant. Owners are encouraged to consider factors such as:

- Timely payment of rent and utility bills;
- Proper care and maintenance of rental units and surrounding premises;
- Respect for the rights of other residents to peaceful enjoyment of their homes;
- History of drug-related or other criminal activity that poses a threat to health, safety, or property;
- Compliance with the essential terms of prior leases or rental agreements.

Upon request, HABC may provide the owner with the following information from its records:

- The applicant's current and prior addresses; and
- The names and addresses (if known) of the landlords for those addresses.

An owner must promptly notify in writing any rejected applicant of the grounds for any rejection. The owner must provide a copy of such rejection notice to HABC

19.10.8 Refusal of Offer

If a family refuses HABC's offer of PBV assistance or the owner rejects a family for admission to the owner's PBV units, the family's position on HABC's waiting list for tenant-based assistance is not affected.

An applicant may be removed from the PBV waiting list if any of the following occurs:

- For the same reasons and in accordance with the provisions on ineligibility and application withdrawal outlined in **WAITING LIST & APPLICATIONS** or **ELIGIBILITY FOR ADMISSION.**
- If there were three or more occurrences where an applicant was invited to consider applying for an available project-based unit and rejects the unit, or fails to respond to or apply for that unit;
- If there were three or more occurrences where an applicant applied for and was approved by management of a project-based unit to rent that unit and the applicant refuses to enter into a lease for that unit.
- Any combination of the second and third items listed above, in three or more occurrences.

"Good Cause" Refusal

Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

- Inaccessibility to source of employment, education, or job training, children's day care, or educational program for children with disabilities, such that accepting the unit offer would require the adult family member to quit a job, drop out of an educational institution or job training program, or take a child out of day care or an educational program for children with disabilities;
- The family demonstrates to HABC's satisfaction that accepting the offer will place a family member's life, health or safety in jeopardy. The family should offer specific and compelling documentation. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption;
- A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (as listed on the final application or Lease) or live-in aide necessary to the care of the principal household member;
- The unit is inappropriate for the applicant's/tenant's disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move.
- HABC will require documentation of good cause for unit refusals and will verify all claims of good cause. Good cause refusal policies may also be applied to unit offers related to applicable transfers.

19.10.9 Offer of PBV Assistance

When a family accepts an offer of PBV assistance, HABC will provide them with an oral briefing and a briefing packet that includes a description of how the program operates, an explanation of the responsibilities of both the family and the owner, and a summary of the family's rights related to moving.

HABC will take appropriate steps in order to ensure meaningful access by persons with limited English proficiency and persons with disabilities.

19.11 LEASING OF PBV UNITS

Under the PBV program, owners are required to lease units only to eligible families who have been selected from HABC's PBV waiting list(s), as described above, meet all of HABC's eligibility requirements, and have been approved by both HABC and the owner. The unit assigned must be appropriately sized for the household based on HABC's subsidy standards.

19.11.1 Filling Vacancies

The owner must make reasonable good-faith efforts to minimize the likelihood and length of any vacancy in a contract unit. The owner must promptly notify HABC of any vacancy or expected vacancy in a contract unit,

If any contract units have been vacant for a period of 120 days or more since owner notice of vacancy, and notwithstanding the reasonable good-faith efforts of HABC and the owner to fill such vacancies, HABC may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (by number of bedrooms) that have been vacant for such period.

19.11.2 Lease Execution

The tenant must have legal capacity to enter a lease under state and local law. "Legal capacity" means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

The tenant and the owner must enter a written lease for the unit. The lease must be executed by the owner and the tenant and the lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

The initial lease term must be at least one year, after which the lease must automatically renew. Renewal can occur through successive fixed terms (such as month-to-month or year-to-year) or through an indefinite extension. A lease may be terminated if the owner ends it for good cause, the tenant chooses to terminate, both parties agree to end it, or if HABC terminates either the HAP contract or the family's assistance.

HABC may review the owner's lease form to determine if the lease complies with state and local law and may decline to approve the tenancy if HABC determines that the lease does not comply with state or local law.

Changes to the Lease

If the tenant and the owner agree to any change in the lease, such change must be in writing, and the owner must immediately give the HABC a copy of all such changes. Additionally, the owner must notify HABC in advance of any proposed change in lease requirements governing the allocation of tenant and owner responsibilities for utilities. Such changes may be made only if approved by HABC and in accordance with the terms of the lease relating to its amendment. HABC must redetermine reasonable rent based on any change in the allocation of responsibility for utilities between the owner and the tenant, and the redetermined reasonable rent shall be used in calculation of rent to owner from the effective date of the change.

Absence from the Unit

The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by HABC policy. The family's assistance must be terminated if they are absent

from the unit for more than 180 consecutive days; however, the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.

19.12 OCCUPANCY

19.12.1 Lease

After an applicant has been selected from the waiting list, determined eligible by HABC, referred to an owner and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

The owner shall ensure the lease is compliant with state and local law. HABC will not review the owner's lease for compliance with state or local law.

The initial lease term must be for at least one year. The lease must provide for automatic renewal after the initial term of the lease in either successive definitive terms (e.g., month-to-month or year-to-year) or an automatic indefinite extension of the lease term.

For automatic indefinite extension of the lease term, the lease terminates if any of the following occur:

- The owner terminates the lease for good cause;
- The tenant terminates the lease;
- The owner and tenant agree to terminate the lease;
- HABC terminates the HAP contract;
- HABC terminates assistance for the family.

19.12.2 Changes in the Lease

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give HABC a copy of all changes.

The owner must notify HABC in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by HABC and in accordance with the terms of the lease relating to its amendment. HABC must redetermine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

19.12.3 Owner Termination of Tenancy

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program. In the PBV program, terminating tenancy for *good cause* does not

include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

RAD Policy

Projects converting from public housing to PBV under RAD have additional procedural rights that do not apply to the standard PBV program. These procedural rights will be included in the owner's lease. In addition to the regulations at 24 CFR 983.257 related to project owner termination of tenancy and eviction, the termination procedure for RAD conversions to PBV requires that HABC provide adequate written notice of termination of the lease, which may not be less than:

1. A reasonable period of time, but not to exceed 30 days: (a) If the health or safety of other tenants, HABC employees, or persons residing in the immediate vicinity of the premises is threatened; or (b) In the event of any drug-related or violent criminal activity or any felony conviction;
2. Not less than 30 days in the case of nonpayment of rent; or
3. Not less than 30 days in any other case, except that if a state or local law provides for a shorter period of time, such shorter period will apply.

These provisions apply to legacy non-RAD PBV units located in the project as well.

19.12.4 Tenant Absence from the Unit

The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by HABC policy. According to program requirements, the family's assistance must be terminated if they are absent from the unit for more than 180 consecutive days. HABC termination of assistance actions due to family absence from the unit are subject to 24 CFR 981.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.

19.12.5 Continuation of Housing Assistance Payments

Housing assistance payments shall continue until the tenant rent equals the rent to owner. The cessation of housing assistance payments at such point will not affect the family's other rights under its lease, nor will such cessation preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within 180 days following the date of the last housing assistance payment by the PHA. After the 180-day period, the unit shall be removed from the HAP contract pursuant to 24 CFR 983.211.

If a participating family receiving zero assistance experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify HABC of the change and request an interim reexamination before the expiration of the 180-day period.

RAD Policy

Pre-Conversion Residents

The unit for a family with a TTP that equals or exceeds the gross rent (which is defined as the contract rent plus any utility allowance for the unit) must be placed on the PBV HAP contract and the family must be admitted to the PBV program. In this case, and until such time as the family's TTP falls below the gross rent, the family will pay the owner the alternate rent which is defined as the lesser of:

1. The family's TTP minus the utility allowance (subject to any required phase-in); or
2. The Zero HAP Rent Cap, which is the lower of: (a) 110 percent of the applicable FMR minus the utility allowance; or (b) In the event the units are subject to more restrictive rent setting requirement under the LIHTC or HOME programs (or other programs approved by HUD on a project-specific basis, the rent to owner set to comply with such requirements.

The family will continue to pay this amount until/if circumstances change, and HAP is paid on their behalf. In other words, assistance may subsequently be reinstated if the tenant becomes eligible for assistance in which case normal PBV rent requirements will apply to the family. In such cases, the resident is still considered a program participant. All of the family obligations and protections under RAD and standard PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance with the NSPIRE standards, apply as long as the unit is under HAP contract or added back to the HAP Contract. Any non-RAD PBV units located in the same project are also subject to these requirements.

After a family has paid the Zero HAP Rent Cap for a period of 180 days, HABC must remove the unit from the HAP Contract and the family's participation in the PBV program ends. If the Covered Project is fully assisted and the family subsequently leaves the property, HABC must reinstate the unit back onto the HAP contract and admit an eligible family. If the Covered Project is partially assisted and the family subsequently leaves the property, the unit must be reinstated back onto the HAP contract unless HABC previously substituted a different unit on the HAP contract in accordance with 24 CFR § 983.207 or, where "floating units" have been permitted.

Additionally, if the family continues to reside in the project after the family's unit was removed from the HAP contract, the family may request to return to the PBV program if the family's income subsequently decreases to the extent that the family's TTP is less than the Zero-HAP Rent Cap, and the family is otherwise eligible for PBV assistance. HABC must, at the earliest opportunity, reinstate the family's unit back onto the HAP contract to provide rental assistance to the family. If the project was partially assisted and HABC previously substituted a different unit on the HAP contract, HABC must substitute the family's unit for a vacant unit on the HAP contract if there is a vacant unit at the time of the request, or by doing so as soon as a unit on the HAP contract becomes vacant if there are no vacant units on the HAP contract at the time of the family request.

New Admission Families

Unless a waiver is requested and approved, following conversion, 24 CFR 983.53(d) applies, and any new admission referred to the RAD PBV project must be initially eligible

for a HAP payment at admission to the program. This means a family's TTP may not equal or exceed the gross rent for the unit at admission. HABC may request a waiver from HUD in order to admit otherwise eligible families whose TTP exceeds gross rent and to allow the units those families occupy to remain under the HAP contract even if HABC has not paid HAP for the family in 180 days.

Further, for any new families admitted after the conversion, assistance will be terminated 180 days after the last housing assistance payment on their behalf. The cessation of housing assistance payments does not affect the family's other rights under its lease, nor does it preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within the 180-day window. If a family's assistance is terminated as a result of their zero HAP status, HABC must remove the unit from the HAP contract. If the project is fully assisted and the family subsequently leaves the property, HABC must reinstate the unit after the family has vacated the property and admit an eligible family. If the project is partially assisted, HABC may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR 983.207 or where floating units have been permitted.

Per the RAD Use Agreement, the owner may charge the family a rent that does not exceed 30 percent of 80 percent of the area median income. If a unit is removed from the RAD PBV HAP contract, then the lease terminates automatically, as stated in the tenancy addendum, as though the RAD PBV HAP contract had been terminated. The tenant must be offered a new lease, which must reflect the new tenant rent. A tenant in this circumstance is no longer a program participant and therefore no longer benefits from any of the rights or protections specific to RAD, or to the PBV program. Should the family subsequently lose employment, the owner may choose to reduce the family's rent, but if the family wishes to be admitted to the HCV/PBV program, then it must be admitted through the waiting list like any other applicant.

In circumstances where low RAD PBV rents may prohibit a significant number of otherwise eligible families on the waiting list from being admitted to the project because they do not require subsidy, and which could consequently create an undue concentration of poverty at the project compared to legacy non-RAD PBV projects, HABC may request a waiver from HUD for the covered project. The waiver will apply the alternative requirements applicable to the pre-conversion residents to new admission families.

19.12.6 Security Deposits

Owners may collect a security deposit that is reasonable and comparable to security deposits collected for similar, unassisted units in the area. HABC prohibits security deposits in excess of private market practice or in excess of amounts charged to unassisted tenants.

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. HABC has no liability or responsibility for payment of any amount owed by the family to the owner.

19.13 MOVES

19.13.1 Overcrowded, Under-Occupied, and Accessible Units

If HABC determines that a family is occupying a wrong size unit, based on HABC's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, HABC shall promptly notify the family and the owner of this determination, and within 60 days of the determination HABC shall offer the family the opportunity to receive continued housing assistance in another available unit.

HABC will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

- PBV assistance in an appropriately sized unit in the same building or project;
- PBV assistance in an appropriately sized unit in another project; and
- Tenant-based voucher assistance.

If no continued housing assistance is available: HABC shall remove the wrong-sized or accessible unit from the HAP contract to make voucher assistance available to issue the family a tenant-based voucher.

If HABC offers the family a tenant-based voucher: HABC shall terminate the housing assistance payments for a wrong-sized or accessible unit at the earlier of the expiration of the term of the family's voucher (including any extension granted by HABC) or the date upon which the family vacates the unit. If the family does not move out of the wrong-sized unit or accessible unit by the expiration of the term of the family's voucher, HABC shall remove the unit from the HAP contract.

If HABC offers a family another form of assistance that is not a tenant-based voucher: HABC shall terminate the housing assistance payments for the wrong-sized or accessible unit and remove the unit from the HAP contract when:

- HABC has offered PBV assistance or other project-based assistance in an appropriately sized unit, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by HABC (not to exceed 90 days); or
- HABC has offered other comparable tenant-based rental assistance, the family either accepts or does not accept the offer but does not move out of the PBV unit within a reasonable time as determined by HABC (not to exceed 90 days).

In either of the above situations, the family may request, and HABC may grant, one extension not to exceed up to an additional 90 days to accommodate the family's efforts to locate affordable, safe, and geographically proximate replacement housing.

RAD Policy

All in-place tenants at the time of conversion are eligible to remain in the project. Over-housed families should be moved into appropriately sized units if such units are available in the new or rehabbed project. If appropriately sized units are not available, the existing tenants may continue to be over-housed until an appropriately sized unit becomes available or until the tenant leaves the project. Once the unit turns over, it must be leased to an appropriately sized family. Any legacy non-RAD PBV units located in the same project are also subject to these requirements.

Following conversion, the standard PBV regulations apply.

19.13.2 Family Right to Move

Participants in HABC's PBV and Moderate Rehabilitation ("Mod Rehab") programs may be eligible for continued tenant-based assistance in the form of a TBV HCV, subject to program rules and the availability of funding. HABC has established the following conditions under which a participant may be offered or may request such assistance:

- **Conventional PBV and Mod Rehab Program Participants:** participants in a HABC conventional project-based housing program (non-transitional) or a HABC Mod Rehab program (non-transitional) who are in good standing and have lived in a HABC PBV or Mod Rehab unit for at least 12 months may request a tenant-based voucher, subject to tenant-based rules and the availability of funds. All participants must remain in good standing with the conventional program and HABC HCV requirements while on the TBV waiting list, until a voucher has been issued.
- **Transitional Housing Program Participants:** participants in a HABC Project-Based Transitional Housing Program (THP) or Mod Rehab Transitional Housing Program who are in good standing with the THP and HABC HCV requirements for at least twelve (12) months and who successfully complete the program may request and are eligible to receive a tenant-based voucher subject to tenant-based rules and the availability of funds. THP participants must remain in good standing until the THP requirements have been met, and until a voucher has been issued.
- **Termination of HAP Contract: p**articipants in a PBV or Mod Rehab program whose unit becomes ineligible for continued assistance due to termination of the HAP contract between HABC and the owner shall be offered continued assistance in the form of a tenant-based voucher, subject to program rules and the availability of funds.

A family may terminate its assisted lease at any time after the first twelve (12) months of occupancy. The family must provide advance written notice to the owner in accordance with the lease and must submit a copy of the notice to HABC. Before giving notice to the owner, the family must contact HABC to request continued tenant-based rental assistance.

If the family terminates the lease in accordance with these requirements, HABC shall offer continued assistance in the form of a tenant-based voucher or other comparable rental subsidy. If tenant-based assistance is not immediately available, the family will be given priority for the next available voucher (see **Preference for Residents of Project-Based Properties / Choice Mobility**.

If the family terminates the lease prior to completing twelve (12) months of occupancy, the family forfeits the opportunity to receive continued tenant-based assistance.

Opportunities to request or transition to tenant-based assistance are discussed with participants during initial eligibility interviews and again during annual, biennial, or triennial recertifications.

Acceptance of a PBV or Mod Rehab unit does not impact the household's application status for HABC public housing or the ability to submit a new public housing application. However, HABC will take no action on a public housing application if doing so would conflict with the terms of the household's current lease or other applicable program requirements.

19.13.3 Choice Mobility

RAD Policy

If the family wishes to move with continued tenant-based assistance, the family must contact HABC to request the rental assistance prior to providing notice to terminate the lease. If the family terminates the lease in accordance with lease requirements, HABC will offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If a voucher or other comparable tenant-based assistance is not immediately available, HABC will give the family priority to receive the next available opportunity for continued tenant-based assistance.

These participants will have access to additional relocation and housing navigation supports to assist them with their move.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

The family will remain eligible to request a choice mobility voucher as long as they continue living at the same covered project. If a family moves from one covered project to another covered project prior to completing their 12-month occupancy requirement, their 12-month clock will reset. The family must wait 12 months from the date of move at the new property before they may request another choice mobility voucher. If a family transfers to a different unit within the same covered project, the 12-month clock does not reset.

HABC will maintain a combined, agency-wide waiting list for all standard PBV and RAD PBV families wishing to exercise mobility after one year of tenancy. Families on the choice mobility waiting list will be given priority over families on the tenant-based waiting list. The choice mobility waiting list will be organized by date and time of the family's written request to exercise choice mobility. The list will also identify whether families live in standard or RAD PBV units.

See also **Preference for Residents of Project-Based Properties.**

19.13.4 Turnover Cap

RAD Policy

If as a result of RAD, the total number of PBV units (including RAD PBV units) administered by HABC exceeds 20 percent of HABC's authorized units under its HCV ACC with HUD, HABC may establish a turnover cap.

HABC is not required to provide more than three-quarters of its turnover vouchers in any single year to the residents of covered projects. If HABC chooses to establish a turnover cap and the cap is implemented, HABC will create and maintain a waiting list in the order requests from eligible households were received.

If HABC implements a turnover cap and families who requested a choice mobility voucher were denied due to the cap, the families will be given priority the following year when choice mobility vouchers are again issued since the choice mobility list will be organized by the date and time of the family's request.

See also **Preference for Residents of Project-Based Properties.**

19.13.5 Emergency Transfers under VAWA

Except where special consideration is needed for the PBV program, HABC will follow VAWA policies as described in Violence Against Women Act Protections as well as using the Emergency Transfer Plan as the basis for PBV transfers under VAWA.

When the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking has lived in the unit for less than one year, HABC will provide several options for continued assistance.

HABC will first try to transfer the participant to another PBV unit in the same development or transfer to a different development where HABC has PBV units. HABC will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer, or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to either tenant-based rental assistance or assistance in HABC's public housing program. Such a decision will be made by HABC based on the availability of tenant-based vouchers and/or vacancies in public housing units. Such families must be selected from the waiting list for the applicable program.

If a victim wishes to move after a year of occupancy in the unit, but no tenant-based vouchers are available, HABC will offer the participant an internal transfer to another PBV unit in the same development or a transfer to a different development where HABC has PBV units. HABC will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer, or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to HABC's public housing program.

19.14 RENT TO OWNER

19.14.1 Initial Contract Rents

Upon execution of a HAP contract, HABC will establish the initial rent(s) to owner for all units covered under the HAP contract. Except for certain tax credit units (described further below) the initial rent(s) to owner may not exceed the lower of:

- An amount determined by HABC, not to exceed 110 percent of the applicable fair market rent (or any HUD-approved exception payment standard) for the unit bedroom size minus any utility allowance;
- The reasonable rent as determined by HABC; or
- The rent requested by the owner.

RAD Policy

RAD conversions are intended to be cost-neutral, and therefore, should not exceed current public housing funding as adjusted for unit size. Since public housing units do not currently have contract rents, HUD provides an estimate of current contract rents for each PHA's public housing units based on current funding as adjusted by bedroom size. Current funding includes operating subsidy, tenant rents, capital funds, replacement housing factor funds (RHF), and demolition disposition transitional funding (DDTF). The funding may limit the amount of initial rent for a property. For RAD/Section 18 blends, HUD produces a single, blended rent schedule for all units.

HABC may adjust subsidy (and contract rents) across multiple projects as long as HABC does not exceed the aggregate subsidy for all of the projects HABC has submitted for conversion under RAD.

Notwithstanding HUD's calculation of the initial contract rent based on the project's subsidy under the public housing program and any modifications made to the initial contact rent, the initial rents are set at the lower of:

1. An amount determined by HABC, not to exceed 110 percent of the fair market rent (FMR) or any exception payment standard approved by HUD, minus any utility allowance;
2. The reasonable rent; or
3. The rent requested by the owner

19.14.2 Determining Rents for Certain Tax Credit Units

For certain units receiving tax credits under the Low-Income Housing Tax Credit (LIHTC) program, additional considerations may apply to ensure rents do not exceed applicable limits. This section applies if:

- A contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986 (see 26 U.S.C. 42);
- The contract unit is not located in a qualified census tract;
- In the same building, there are comparable tax credit units of the same unit bedroom size as the contract unit and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds 110% of the applicable fair market rent (or any exception payment standard).

If a contract unit meets all of the criteria listed above then the rent to owner may not exceed the lowest of:

- The tax credit rent minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

The "tax credit rent" is the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (*e.g.*, additional assistance such as tenant-based voucher assistance).

A "qualified census tract" is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which a least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI); or where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

19.14.3 Rent Reasonableness

MTW Policy

HABC will utilize the flexibility in this activity to determine rent reasonableness for PBV units and will also apply the flexibility to utilize payment standards up to 135% of FMR when determining initial and re-determined rents for PBV units located in opportunity areas. This flexibility will apply to rent increases for PBV units.

For scattered site projects, HABC implements an alternative method to determine rent reasonableness whereby HABC bases the rent reasonableness determination for all units in the project that are within the same submarket area on the rent reasonableness determination made for a single unit of each bedroom size.

19.14.4 Redetermination of Rent

HABC will redetermine the rent to owner under the following circumstances:

- When there is a 10 percent decrease in the published FMR;
- Upon the owner's request; or
- At the time of the automatic adjustment by an operating cost adjustment factor (OCAF), if adopted by HABC and included in the individual HAP contract.

RAD Policy

At each annual anniversary of the HAP contract, contract rents will be adjusted by the HUD-established Operating Cost Adjustment Factor (OCAF) in effect at the time. The OCAF is applied to the current contract rent, less the portion of the rent paid for debt service, subject to the availability of appropriations for each year of the contract term.

In extraordinary circumstances, a PBV owner may request a waiver of the rental adjustment by OCAF and receive a rental adjustment by an alternative operating cost factor. Project Owners requesting a waiver of the rental adjustment by OCAF must submit

a request with documentation 14 demonstrating the need for an alternative operating cost factor rental adjustment in order to preserve the Covered Project (see RAD Supplemental Notice 4C).

RAD rents are still subject to rent reasonableness requirements.

Rent Increases

An owner's request for a rent increase must be submitted to HABC at least 90 calendar days and no more than 120 calendar days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is proposing. HABC will not process or implement any rent increase requests that are not requested timely.

HABC will not approve and the owner shall not receive any rent increase unless the owner is in full compliance with all terms of the HAP contract, including but not limited to adherence to HQS/NSPIRE inspection standards. Rent increases will not be granted retroactively for any period during which the owner was out of compliance.

When an owner submits a request for a rent increase, HABC will evaluate whether the requested amount is reasonable based on its policies. The owner will be notified in writing of HABC's determination.

MTW Policy

HABC has the discretion to place a cap on contract rent increases for PBV units. The application of the rent cap is dependent on market conditions and is subject to a reasonable rent determination.

Rent Decreases

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment, except where HABC has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract.

19.14.5 PHA-Owned Units Rent Determination

MTW Policy

HABC has waived the requirement for Independent Entities to approve rent determinations for HABC-owned properties/units.

19.14.6 Continuation of Housing Assistance Payments

Housing assistance payments shall continue until the tenant rent equals the rent to owner. The cessation of housing assistance payments at such point will not affect the family's other rights under its lease, nor will such cessation preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within 180 days following the date of the last housing assistance payment by the PHA. After the 180-day period, the unit shall be removed from the HAP contract pursuant to § 983.211.

19.14.7 Vacancy Payments

HAP Contract Provisions

At HABC's discretion, the HAP contract may provide for vacancy payments to the owner for up to a 60-day period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment shall not 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).

HABC will decide on a case-by-case basis if HABC will include vacancy payment provisions in individual PBV HAP contracts. The HAP contract with the owner will contain any such agreement, including the amount of the vacancy payment and the period for which the owner will qualify for these payments.

Payments

If an assisted family moves out of a unit, the owner may retain the HAP for the month in which the move-out occurs. However, the owner cannot retain the payment if HABC determines that the vacancy was caused by the owner.

If an owner's HAP contract calls for vacancy payments to be made and the owner would like to request vacancy payment(s) then the owner must have properly notified HABC of the vacancy. Requests for vacancy payments must be submitted to HABC within 60 days of the vacancy in order to be considered. Vacancy payments may only be made if the following conditions are met:

- The owner provides prompt written notice to HABC stating the family's move-out date.
- The owner certifies that:
    - The vacancy was not caused by the owner
    - The unit remained vacant during the claimed period
    - Reasonable efforts were made to re-rent the unit
- The owner submits all required documentation and forms as determined by HABC.

The vacancy payment to the owner for each month of the maximum two-month period will be determined by HABC, and 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.

19.15 TERMINATION OR EXPIRATION OF THE PBV HAP CONTRACT

In the event a PBV HAP contract is not renewed, is terminated, or naturally expires, specific procedures must be followed.

19.15.1 Termination by HABC

HABC may terminate a PBV HAP contract under specific circumstances.

Insufficient Funding

The HAP contract will provide that the term of HABC's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by HABCC in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, HABC may terminate the HAP contract by notice to the owner.

Owner Breach

If HABC determines that the owner has breached the HAP contract, HABC may exercise any of its rights or remedies under the HAP contract, including but not limited to contract termination.

In case of HAP contract termination due to owner breach, HABC shall offer each family occupying a contract unit a tenant-based voucher no fewer than 60 days prior to the planned contract termination or expiration. If HABC offers the family another assisted housing option (such as a unit in another PBV project) and the family accepts, a voucher does not need to be issued.

19.15.2 Nonextension by Owner

Not less than one year before the HAP contract terminates, or if the owner refuses to renew the HAP contract, the owner must notify HABC and assisted tenants of the termination, in accordance with HUD notice requirements. If the owner does not give timely notice, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of the owner's inability to collect an increased tenant portion of rent. An owner may renew the terminating contract for a period of time sufficient to give tenants one-year advance notice under such terms as HUD may require.

19.15.1 Termination or Expiration Without Extension

Unless a termination or expiration without extension occurs due to a determination of insufficient funding or other extraordinary circumstances determined by HUD, upon termination or expiration of the contract, a family living at the property is entitled to receive a tenant-based voucher at least 60 calendar days prior to the planned termination or expiration of the PBV HAP contract. However, HABC is not required to issue the family a voucher if HABC has offered the family an alternative housing option, and the family chooses to accept the alternative housing option instead of the voucher.

Tenant-based assistance does not begin until the owner's required notice period ends. The family may opt to remain in the unit using the tenant-based voucher provided that it meets the requirements of the tenant-based program and are not subject to income eligibility requirements or any other admission requirements. If the family chooses to remain in their unit with tenant-based assistance, the family may do so regardless of whether the family share would initially exceed 40 percent of the family's adjusted monthly income.

The owner may not refuse to initially lease the unit to the family except where the owner will use the unit for a purpose other than a residential unit.

19.15.2 Termination by Owner – Reduction of Rent

If the amount of the rent to owner for any contract unit is reduced below the amount of the initial rent to owner, the owner may terminate the HAP contract upon notice to HABC no fewer than 90 calendar days prior to the planned termination. In this case, assisted families must be provided tenant-based assistance and may elect to remain in the project.

19.15.3 Termination by Mutual Agreement

HABC and the owner may agree to terminate the HAP contract prior to the end of the term. The owner's notice is required prior to termination, and the families must be provided tenant-based assistance and may elect to remain in the project.

19.16 ADDITIONAL MISCELLANEOUS RAD PROVISIONS

19.16.1 Utility Allowances

RAD Policy

When contract rent amounts are set initially, the amount does not include a utility allowance. In general, the utility allowances that are used on the initial HAP contract at closing are the public housing utility allowances that are in effect prior to conversion. The CHAP must be updated prior to conversion to reflect current public housing utility allowances. At its discretion, HABC may use the FMRs and utility allowances in effect during the 30-day period immediately before the beginning date of the HAP contract.

HUD has waived the requirement for the standard PBV program that the HCV utility allowance be used. If a site-specific utility allowance is used, the utility allowance is applicable to legacy non-RAD PBV units in the project and is calculated consistent with Notice H 2015-04.

19.16.2 Phase-in of Tenant Rent Increases

RAD Policy

For in-place tenants, if the amount the tenant would pay for rent and utilities (TTP) would increase by more than the greater of 10 percent or $25 purely as a result of conversion, the rent increase will be phased in over three years. To implement this provision, HUD is waiving section 3(a)(1) of the 1937 Act, as well as 24 CFR 983.3 (definition of total tenant payment (TTP)) only to the extent necessary to allow for the phase-in of tenant rent increases. For families who were on EID at the time of conversion to RAD PBV, upon the expiration of the EID, the rent adjustment is not subject to rent phase-in.

HABC will use the family's public housing tenant rent (reflected on line 10f of the family's most recent 50058) at the date of conversion to calculate the family's tenant rent in PBV. HABC will implement a three-year phase-in for in-place families whose TTP increases by more than the greater of 10 percent or $25 purely as a result of the conversion as follows:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion: 33 percent of the difference between the most recently paid TTP or flat rent and the calculated PBV TTP. (If the family was paying flat rent immediately prior to conversion, the PHA will use the flat rent amount to calculate the phase-in for Year 1.)
- Year 2: Year 2 annual recertification (AR) and any interim recertification (IR): 50 percent of the difference between the most recently paid TTP or flat rent and the calculated PBV TTP

- Year 3: Year 3 AR and all subsequent recertifications: Full calculated TTP

Once the standard TTP is equal to or less than the previous TTP or flat rent, the phase-in ends, and tenants will pay full TTP from that point forward.

HABC will communicate the phase-in policy in writing to the family at the time HABC first determines that the family qualifies for a rent phase-in. Any legacy non-RAD PBV units located in the same project are also subject to rent phase-in requirements.

19.16.3 Informal Reviews and Hearings

RAD Policy

In addition to reasons for an informal hearing listed at 24 CFR 982.555(a)(1)(i)–(v) (see also **INFORMAL HEARINGS**), an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to an owner action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.

For any hearing required under 24 CFR 982.555(a)(1)(i)–(v), the contract administrator will perform the hearing in accordance with the **INFORMAL HEARINGS** policies in this Plan, as is the current standard in the program.

For any additional hearings required under RAD, HABC (as owner) will perform the hearing.

An informal hearing will not be required for class grievances or for disputes between residents not involving HABC (as owner) or contract administrator. This hearing requirement does not apply to and is not intended as a forum for initiating or negotiating policy changes between a group or groups of residents and HABC (as owner) or contract administrator.

The owner must give residents notice of their ability to request an informal hearing as outlined in 24 CFR 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR 982.555(a)(1)(i)–(v).

The owner must provide an opportunity for an informal hearing before an eviction.

19.16.1 Resident Participation and Funding

RAD Policy

Residents of covered projects converting assistance to PBVs will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.

19.16.2 Public Housing FSS and ROSS Participants

RAD Policy

Current public housing FSS participants must be allowed to continue to participate in HABC's FSS program for the duration of the grant's period of performance, and HABC will be allowed to use any PH FSS funds granted previously or pursuant to the current fiscal year (FY) PH FSS notice of funding opportunity (NOFO) to serve those FSS participants who live in units converted to RAD and who will as a result be moving to the HCV FSS program. HABC will convert the PH FSS program participants at the covered project to their HCV FSS program. No special provisions are required to continue serving FSS participants that live in public housing units converting to PBV through RAD.

Residents who were converted from the PH FSS program to the HCV FSS program through RAD may not be terminated from the HCV FSS program or have HCV assistance withheld due to the participant's failure to comply with the contract of participation. Consequently, 24 CFR 984.303(b)(5)(iii) does not apply to FSS participants in converted properties.

At the completion of the FSS grant, HABC will follow the normal closeout procedures outlined in the grant agreement and any applicable 24 CFR part 200 requirements. If HABC continues to run an FSS program that serves PH and/or HCV participants, HABC will continue to be eligible (subject to NOFA requirements) to apply for FSS funding.

Current Resident Opportunities and Self-Sufficiency–Service Coordinators (ROSS–SC) program grantees will be able to finish out their current ROSS–SC grants once their housing is converted under RAD. On March 9, 2024, the Consolidated Appropriations Act, 2024 (Public Law 118-42), extended eligibility by allowing PHAs to continue to serve (or restart service to) residents of a project with assistance converted from public housing to Rental Assistance Demonstration (RAD) Project-based Voucher (PBV) or RAD Project-based Rental Assistance (PBRA).

Any non-RAD PBV units located in the same project are also subject to these requirements.

CHAPTER 20: SPECIAL PURPOSE VOUCHER PROGRAMS

20.1 INTRODUCTION

Special purpose vouchers are specifically funded in separate appropriations from the regular HCV program funding in order to target specific populations. These include vouchers for the following programs administered by HABC:

- FAMILY UNIFICATION PROGRAM (FUP)**FAMILY UNIFICATION PROGRAM (FUP)**
- **VETERANS AFFAIRS SUPPORTIVE HOUSING (VASH)**
- **MAINSTREAM**
- **NON-ELDERLY DISABLED (NED)**

In addition, HABC currently administers Emergency Housing Vouchers (EHV); however, this program will sunset no later than the end of CY 2026. No further funding will be provided by HUD for this program. See PIH Notice 2025-19 and the **EMERGENCY HOUSING VOUCHERS (EHV)** section of the is chapter for more information.

Except as noted in this chapter and as required under federal statute and HUD requirements, the general requirements of the HCV program apply to special purpose vouchers.

> ***MTW Policy***
>
> HABC administers special purpose vouchers in accordance with its MTW Agreement unless MTW provisions are inconsistent with the appropriations act or requirements of the NOFA.

20.2 FAMILY UNIFICATION PROGRAM (FUP)

20.2.1 Overview

The Family Unification Program (FUP) was authorized by Congress in 1990 to help preserve and reunify families. Vouchers are provided to two different populations—FUP families and FUP youth. Eligibility criteria and other program criteria may differ according to whether the household is a FUP family or FUP Youth, as described in the sections below.

20.2.2 Public Child Welfare Agency (PCWA)

Families and youth do not apply directly to HABC for FUP vouchers. They are instead referred by a Public Child Welfare Agency (PCWA) with whom HABC has entered into a Memorandum of Understanding (MOU). The partnering PCWA initially determines whether the family or youth meets the FUP program eligibility requirements and then refers those families or youths to HABC.

HABC has entered into a MOU with the Baltimore City Department of Social Services (DSS) Child Protective Services to identify and assist eligible families. The MOU describes the coordination responsibilities between HABC and DSS to implement FUP.

Supportive Services

DSS must provide supportive services for the period of time defined in the notice or NOFA/O for which the funding was made available to all FUP-eligible youth regardless of their age.

DSS will provide supportive services for all FUP youth for a period of 36 months.

A FUP-eligible youth is not required to participate in supportive services as condition of receipt of the FUP voucher.

20.2.3 Eligibility

FUP Family Voucher Eligibility Criteria

FUP family assistance is reserved for eligible families that DSS has certified are a family for whom a lack of adequate housing is a primary factor in:

- The imminent placement of the family's child or children in out-of-home care, or
- The delay in the discharge of the child or children to the family from out-of-home care.

Lack of adequate housing means the family meets any one of the following conditions:

- Living in substandard housing, which refers to a unit that meets any one of the following conditions:
    - Does not have operable indoor plumbing;
    - Does not have a usable flush toilet inside the unit for the exclusive use of a family or youth;
    - Does not have a usable bathtub or shower inside the unit for the exclusive use of a family or youth;
    - Does not have electricity, or has inadequate or unsafe electrical service;
    - Does not have a safe or adequate source of heat;
    - Should, but does not, have a kitchen;
    - Has been declared unfit for habitation by an agency or unit of government, or in its present condition otherwise endangers the health, safety, or well-being of the family or youth;
    - Has one or more critical defects, or a combination of intermediate defects in sufficient number or to the extent that it requires considerable repair or rebuilding. The defects may result from original construction, from continued neglect or lack of repair, or from serious damage to the structure;
- Being homeless as defined in 24 CFR 578.3;
- Living in a unit where the presence of a household member with certain characteristics (i.e., conviction for certain criminal activities) would result in the imminent placement of the family's child or children in out-of-home care, or the delay in the discharge of the child or children to the family from out-of-home care;
- Living in housing not accessible to the family's disabled child or children due to the nature of the disability;

- Living in an overcrowded unit, which is defined as living in a unit where one of the following conditions has been met:
    - The family is separated from its child or children and the parents are living in an otherwise standard housing unit, but, after the family is reunited, the parents' housing unit would be overcrowded for the entire family and would be considered substandard; or
    - The family is living with its child or children in a unit that is overcrowded for the entire family and this overcrowded condition may result, in addition to other factors, in the imminent placement of its child or children in out-of-home care.
    - For purposes of this definition, the determination as to whether the unit is overcrowded is made in accordance with the HABC's **SUBSIDY STANDARDS**.

Since HUD does not define *imminent placement*, the partnering PCWA may use its discretion to determine whether the potential out of home placement of the family's child or children is imminent.

FUP Youth Voucher Eligibility Criteria

While FUP family vouchers operate as regular HCVs after the family is referred from DSS, there are several aspects of the FUP youth vouchers that make them distinct from the FUP family vouchers and from regular HCVs.

A FUP-eligible youth is a youth DSS has certified:

- Is at least 18 years old and not more than 24 years of age (has not yet reached their 25th birthday);
    - The FUP youth must be no more than 24 years old at the time DSS certifies them as eligible and at the time of HAP contract execution.
- Has left foster care or will leave foster care within 180 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act;
    - Foster care placement can include, but is not limited to, placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, childcare institutions, and pre-adoptive homes in accordance with 24 CFR 5.576.
- Is homeless or at risk of becoming homeless at age 16 or older;
    - *At risk of being homeless* is fully defined at 24 CFR 576.2.
        - This includes a person that is exiting a publicly funded institution, or system of care (such as a healthcare facility, a mental health facility, foster care or other youth facility, or correction program or institution). Youth being discharged from an institution may be eligible for a FUP voucher.
- Has an annual income at or below 30 percent of area median income; and
- Does not have sufficient resources or support networks (e.g., family, friends, faith-based or other social networks) immediately available to prevent them from moving to a supervised publicly or privately operated shelter designed to provide temporary living arrangements.

Note: An eligible youth who is leaving foster care may lease a unit with a FUP voucher prior to officially leaving foster care, as long as all requirements of the FUP program and HCV program, including the

prohibition on duplicate subsidy, are met. While a youth may be referred for a FUP voucher before reaching the age of 18, HABC will not enter into a HAP contract on behalf of a youth until they have reached the age of 18.

HCV Eligibility Determination

Once a FUP-eligible family or youth is selected from the HCV waiting list, HABC must determine whether the family or youth also meets HCV program eligibility requirements.

DSS may but is not obligated to provide information to HABC on the family's criminal history.

Additional FUP Eligibility Factors

For FUP family vouchers, the family must remain FUP-eligible thorough lease-up.

- If, after a family is referred by DSS but prior to issuing a family FUP voucher, HABC discovers that the lack of adequate housing is no longer a primary factor for the family not reunifying, the FUP voucher will not be issued to the family.
- Similarly, if the FUP voucher has already been issued before HABC discovers that the reunification will not happen, but the family has not yet leased up under the voucher, HABC will not execute the HAP contract, as the family is no longer FUP-eligible.

FUP-eligible youth must be no more than 24 years old both at the time of PCWA certification and at the time of the HAP execution. If a FUP youth is 24 at the time of PCWA certification but will turn 25 before the HAP contract is executed, the youth is no longer eligible for a FUP youth voucher.

Any applicant that does not meet the eligibility criteria for the HCV program or any eligibility criteria listed in this section will be notified by HABC in writing, including stating the reasons the applicant was found ineligible and providing an opportunity for an informal review.

20.2.4 Referrals and Waiting List Management

Referrals

When FUP vouchers are available, the HABC liaison responsible for acceptance of referrals will contact DSS FUP liaison via email indicating the number of vouchers available and requesting an appropriate number of referrals. The DSS liaison will provide HABC with a list of eligible referrals include the name, address, and contact phone number for each adult individual who is being referred; a completed release form for each adult family member; and a written certification for each referral indicating the youth or family is FUP-eligible.

HABC will maintain a copy of the referral or certification from DSS in the participant's file along with other eligibility paperwork.

HABC will serve any referrals (youths or families) that meet all program eligibility requirements. If HABC determines that it has received a sufficient number of referrals from DSS so that HABC will be able to lease all FUP vouchers awarded, HABC may request that DSS suspend transmission of referrals. If HABC determines that additional referrals will be needed after it has made such a request, HABC may request that DSS resume transmission of referrals.

20.2.5 Voucher Issuance

Applicants will be notified of their eligibility by HABC in writing.

- FUP families will attend a standard HCV briefing.
- FUP youth will be briefed individually. In addition to traditional HCV program requirements, HABC will inform the FUP youth of:
    - The extension of assistance provisions and requirements;
    - The availability of the FSS program and offer them an FSS slot (if available) or offer to place them on the FSS waiting list; and
    - Supportive services available to them, the existence of any other programs or services, and their eligibility for such programs and services.

For both FUP youth and FUP families, the term of the initial voucher will be 120 days (note: the initial 120-day search term also applies when a FUP family or youth chooses to move to a new unit with continued assistance inside or outside HABC's jurisdiction).

When issuing a FUP voucher to a family which includes an individual with disabilities, HABC will include a current listing of available accessible units known HABC, and if necessary, otherwise assist the family in locating an available accessible dwelling unit.

Extensions

HABC will accept verbal or written requests for voucher extensions as long as the request is made on or before the expiration date of the voucher. HABC will provide at a minimum, one 90-day extension and will not restrict approval of the initial extension to certain circumstances or require documentation from applicants. All subsequent requests for extension will be processed in accordance with HABC's voucher extension policies. This policy applies to both initial applicants and participants moving with continued assistance.

For applicants, on at least one occasion after voucher issuance, HABC will notify the applicant to remind them of the expiration date of the voucher and the process for requesting an extension of the initial term, and to inquire if the applicant is in need of assistance with their housing search.

See the section on **Voucher Extensions for Mainstream, and FUP Participants** for additional information on the voucher term for FUP families and FUP youth.

20.2.6 Lease Up

Once the family or youth locate a unit, HABC conducts all other processes relating to voucher administration per HCV program regulations and HABC's policies.

20.2.7 Assistance Period

Maximum Assistance Period

Although there is no time limit on FUP family vouchers, FUP youth vouchers are limited by statute. Unless the FUP youth meets an exception outlined below, after 36 months of assistance, the FUP youth voucher must be terminated. However, any period of time for which no subsidy (HAP) is being paid on behalf of the youth does not count toward the 36-month limitation.

If the FUP youth does meet the requirements outlined below, the statutory limit on FUP assistance is a total of 60 months of FUP voucher assistance.

FUP Youth Extension of Assistance

FUP youth who first leased or lease a unit after December 27, 2020, may be eligible for an extension of assistance up to 24 months beyond the 36-month time limit (for a total of 60 months of assistance).

While FUP youth cannot be required to participate in the Family Self-Sufficiency (FSS) program as a condition of receipt of assistance, an eligible youth who participates in the FSS program and is in compliance with the applicable terms and conditions of the program is entitled to receive assistance for up to an additional 24 months. A FUP youth must accept an FSS slot if it is offered to them prior to the 36-month mark in order to receive an extension of assistance (unless the youth meets one of the statutory exceptions described below). FUP youth participants who have previously rejected offers to participate in FSS will be given a final opportunity to participate in FSS prior to the expiration of their 36-month term. If the participant does not accept HABC's final offer to participate in FSS then they will not be approved for an extension of assistance (unless the youth meets one of the statutory exceptions described below).

FUP Youth Statutory Exceptions

A FUP youth will be entitled to receive an extension of assistance for up to 24 months beyond the 36-month time limit without participating in the HABC's FSS program if they certify that they meet one of the exceptions below:

- The FUP youth is a parent or other household member responsible for the care of a dependent child under the age of six or for the care of an incapacitated person.
- The FUP youth is a person who is incapable of complying with the requirement to participate in a FSS program as described above or engage in education, workforce development, or employment activities due to a documented medical condition.
- The youth was enrolled in an *institution of higher education*, as such term is defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)) or an institution that meets the definition of a *proprietary institution of higher education* or a *postsecondary vocational institution* under sections 102(b)(1) and (c)(1) of the Higher Education Act of 1965 (20 U.S.C. 1002(b)(1) and (c)(1)), respectively.
    - Youth must be enrolled in education activities on at least a half-time basis, as defined by the institution that they attend. However, HABC may make exceptions to this requirement if the youth is unable to enroll in a sufficient number of classes due to a lack of course offerings by the educational institution where the youth is enrolled.
    - The youth was participating in a career pathway, as such term is defined in Section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).
- The youth was employed.
    - HABC will consider the youth to be employed if they work a minimum of 20 hours per week. HABC may make exceptions to this requirement if the youth's hours are reduced due to circumstances beyond their control or the youth must temporarily reduce their work hours due to a verified family emergency.

FUP Youth Termination of Assistance for Failure to Meet Conditions

Failure of the FUP youth to meet one of the above conditions will only impact their ability to receive subsequent extensions of assistance. It will not serve as a basis for terminating the FUP assistance prior to the regular reexam.

If the FUP youth does not meet any of the conditions described in this chapter, the youth is subject to the statutory time limit of 36 months or the time limit of any extension that the youth has already received, and the FUP youth voucher must be terminated once the youth reaches this time limit. The calculation of the time limit begins from the date the first HAP contract is signed (for tenant-based vouchers) or from the date the youth entered into the initial lease agreement (for project-based vouchers). The number of months is calculated based on the number of months that HAP subsidy is being paid on behalf of the youth, not the number of months that the youth is in the FUP youth program. Prior to termination, HABC will offer the FUP youth the opportunity to request an informal hearing, in accordance with its policies.

20.2.8 Termination of Assistance

With the exception of terminations of assistance for FUP youth after the statutorily required time period, terminations of FUP assistance are handled in the same way as the regular HCV program. Termination of a FUP voucher will be consistent with HABC's policies on **TERMINATION OF ASSISTANCE AND INFORMAL HEARINGS).**

If the person who qualifies for the FUP voucher passes away, the family retains the FUP voucher. In the case of a FUP-youth voucher, assistance will terminate after the statutorily required time period, even if the FUP-eligible youth is no longer included in the household.

If the person who qualifies for the FUP voucher moves, the remaining family members may keep the FUP voucher based on section **HOUSEHOLD CHANGES** in the chapter on Reexaminations.

FUP Family Vouchers

If parents lose their parental rights or are separated from their children after voucher lease-up (or their children reach adulthood), the family remains eligible to keep their FUP assistance. However, HABC may transfer the assistance of a FUP family voucher holder to regular HCV assistance if there are no longer children in the household.

If HABC has no regular HCV vouchers available at the time this determination is made HABC will issue the family the next available regular HCV voucher after those being issued to families residing in PBV units claiming Choice Mobility.

FUP Youth Vouchers

HABC will not terminate a FUP youth's assistance for noncompliance with PCWA case management, nor will HABC terminate assistance for a FUP youth for not accepting services from DSS.

HABC may not transfer the assistance of a FUP youth voucher holder to regular HCV assistance upon the expiration of the statutorily required time period. However, HABC may issue a regular HCV to FUP youth if they were selected from the waiting list in accordance with HABC policies.

20.2.9 FUP Portability

Portability for a FUP family or youth is handled in the same way as for a regular HCV family. A FUP family or youth is not required to port only to a jurisdiction that administers FUP. However:

- If the receiving PHA administers the FUP voucher on behalf of the initial PHA, the voucher is still considered a FUP voucher regardless of whether the receiving PHA has a FUP program.
- If the receiving PHA absorbs the voucher, the receiving PHA may absorb the incoming port into its FUP program (if it has one) or into its regular HCV program (if the receiving PHA has vouchers available to do so) and the family or youth become regular HCV participants. In either case, when the receiving PHA absorbs the voucher, a FUP voucher becomes available to the initial PHA.
- If the voucher is a FUP youth voucher and remains such upon lease-up in the receiving PHA's jurisdiction, termination of assistance must still take place once the youth has received assistance for the statutorily required time period. If the receiving PHA is administering the FUP youth voucher on behalf of the initial PHA, the two PHAs must work together to initiate termination upon expiration of the statutorily required time period.

20.3 VETERANS AFFAIRS SUPPORTIVE HOUSING (VASH)

The Veterans Affairs Supportive Housing (VASH) program combines HCV rental assistance with case management and clinical services provided by the Department of Veterans Affairs (VA) at VA medical centers (VAMCs) and Community-Based Outpatient Clinics (CBOCs), or through a Designated Service Provider (DSP) as approved by the VA Secretary. Homeless veterans and their families are eligible if they agree to participate in VA case management and are referred to the HABC by the VAMC for assistance.

Generally, the VASH program is administered in accordance with regular HCV requirements and HABC's MTW agreement.

20.3.1 Referrals

VAMC case managers screen all families in accordance with VA screening criteria and refer eligible families to HABC for determination of program eligibility. HABC will accept referrals from the VAMC and maintain written documentation of referrals in the VASH family's participant file. Upon receipt of a referral from the VAMC, HABC will conduct eligibility screening for the family.

20.3.2 Screening

HABC will only screen VAMC referrals for those items listed under **VASH Screening** in the chapter on Eligibility for Admission.

20.3.3 Screening Elements

Social Security Numbers

HABC will accept any applicable documents listed under **VERIFICATION OF SOCIAL SECURITY NUMBERS** for verifying the Social Security number (SSN) of a VASH family member. HABC will also accept any of the following as verification of a homeless veteran's SSN:

- Certificate of Release or Discharge from Active Duty (DD-214),
- VA-verified Application for Health Benefits (10-10EZ), or

- VA-issued identification card.

If HABC has attempted to obtain third-party verification of a VASH family member's SSN prior to admission, HABC will accept the applicant's self-certification and a third-party document with their name printed on it (such as a bank statement, benefit letter, utility bill or cell phone bill) to satisfy the SSN disclosure requirement. However, this is only allowable when HABC has exhausted all other attempts to obtain the required documentation and has documented why other SSN documentation was unavailable.

- If the VASH family member's SSN is verified in EIV, then no further verification is required.
- If the VASH family member's SSN fails the SSA identity match, then HABC must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual.
    - The VASH family member's assistance must be terminated if they fail to provide the required documentation.

Proof of Age

HABC will accept any applicable documents listed under **VERIFICATION OF AGE** for verifying each family member's age. HABC will also accept a DD-214 or 10-10EZ as acceptable verification of proof of age.

Photo Identification

HABC will accept a VA-issued identification card (which may also serve as verification of SSN and date of birth) in lieu of a document listed under **VERIFICATION OF LEGAL IDENTITY**.

20.3.4 Income Determination

HABC will determine the applicant's annual income for purposes of income eligibility by excluding all VA service-connected benefits received by the applicant like the VA's Incentive Therapy (IT) and Compensated Work Therapy (CWT) programs. This special income exclusion only applies to the definition of *annual income* for purposes of determining income eligibility. If the HUD-VASH applicant qualifies as a low-income family under the alternative requirement, the VA service-connected benefits (with the exception of the normally excluded deferred VA disability payments under 24 CFR 5.609(b)(17)) must still be included as annual income when calculating the family's adjusted income.

When a veteran family reports they have zero income, HABC will accept a self-certification of zero income from the family at admission and at reexamination without taking any additional verification steps. The self-certification form does not need to be notarized and HABC will verify families' income in the Enterprise Income Verification (EIV) system within 120 days after admission. VASH families may self-certify assets up to $50,000 in accordance with HABC MTW policy (see

VERIFICATION OF ASSETS).

While income-targeting requirements defined at 24 CFR 982.201 do not apply to the VASH program, HABC will include any extremely low-income VASH families that are admitted in its income targeting numbers for the fiscal year in which these families are admitted.

20.3.5 Voucher Term

VASH vouchers will have a term of 120 days for both initial search terms and moves. HABC's policies on **Expirations/Extensions** as found in the chapter on Voucher Issuance and Briefings apply.

20.3.6 Housing Types

VASH families may use their voucher at any of the eligible housing types listed in the **ELIGIBLE AND INELIGIBLE TYPES OF HOUSING** section and any of the **Special Housing Types**Error! Reference source not found. listed in this plan. VASH families are also permitted to live on the grounds of a VA facility in units developed to house homeless veterans; this applies both to tenant-based assistance and project-based assistance.

20.3.7 Initial Lease Term

VASH families may enter into an initial lease that is for less than 12 months.

20.3.8 Changes in Household Composition

Persons added to a VASH family after admission will be screened in accordance with regular HCV requirements and must be approved in accordance with applicable provisions under **Interims Prompted by Changes in Household Composition**.

If the veteran dies while the family is being assisted, the voucher will remain with the remaining family members. HABC may opt to use a regular voucher, if available, to free up the VASH voucher for another VASH-eligible family. At turnover, the voucher must go to another VASH-eligible family.

In the case of family breakup, the voucher will remain with the veteran, except in the case when a veteran's family member is receiving **VIOLENCE AGAINST WOMEN ACT (VAWA)** protections. If the veteran is the perpetrator:

- The veteran's VASH assistance is terminated;
- If a regular voucher is available, it will be given to the family member seeking protection under VAWA;
- If no regular voucher is available, the family member seeking protection under VAWA will continue to use the VASH voucher.

Upon turnover, the VASH voucher will be issued to another VASH-eligible family.

20.3.9 Portability

Prior to porting to another housing authority's jurisdiction, a VASH family must obtain written confirmation from the VA facility that case management will continue to be provided in the family's new location. VASH families may only move to jurisdictions that are accessible to case management services, as determined by the case managers at the partnering VAMC or DSP. If such requirements are met, the VASH family may move at admission or during current participation in the program.

If the family moves within the initial VAMC or DSP's catchment area and:

- The receiving housing authority VASH vouchers, the receiving housing authority may administer or absorb the voucher if it has a VASH voucher to do so. If the voucher is absorbed, the VAMC or

DSP providing the initial case management must agree to the absorption and transfer the case management.

- The receiving housing authority does not have VASH vouchers, it must always bill the initial housing authority.

If the family moves outside of the initial VAMC or DSP's catchment area, the initial VAMC or DSP must first determine that the VASH family could be served by another VAMC or DSP participating in the VASH program, and the receiving housing authority has a VASH voucher. In these cases, the receiving housing authority must absorb the VASH voucher. Upon absorption, the initial housing authority's voucher will be available to a new VASH-eligible family, and the absorbed family will count towards the receiving housing authority's number of VASH slots.

If the family moves outside of the initial VAMC or DSP's catchment area under VAWA, they may do so prior to receiving approval from the receiving VAMC or DSP, but they must port to a housing authority that has a VASH program. The initial housing authority must follow its emergency transfer plan. If the receiving housing authority does not have a VASH voucher available, they may bill the initial housing authority until a VASH voucher is available, at which point they must absorb the family into the receiving housing authority's program. The housing authorities may require a verbal self-certification or a written request from a participant in this case that includes:

- A statement expressing why the participant reasonably believes that there is a threat of imminent harm from further violence if they were to remain in the same unit; or
- A statement that the tenant was a sexual assault victim and that the sexual assault occurred on the premises during the 90-day period preceding the participant's request for the move.

If the family no longer requires case management, there are no portability restrictions, and regular **PORTABILITY** rules apply.

20.3.10 VASH Termination of Assistance

HABC may not terminate a VASH family's assistance due to known circumstances/activities that occurred prior to admission. A VASH family may only be terminated for program violations that occur after admission.

A VASH family's assistance must be terminated for failure to participate in case management services from the VAMC or DSP, but HABC may opt to provide continued assistance to the family through the regular HCV program. If a VASH family no longer needs case management services, HABC will not terminate the family's assistance but may offer the family continued assistance through its regular HCV program in order to use the VASH voucher for another VASH-eligible family.

For serious violations of the lease, HABC may terminate program assistance to the family but will exercise discretion and consider all relevant circumstances of the specific case (including the potential mitigating effects of ongoing case management) prior to determining whether to terminate assistance.

20.4 MAINSTREAM

Mainstream vouchers assist non-elderly individuals with disabilities and their families.

20.4.1 Eligibility

To be eligible for the Mainstream program, it must include a person between the ages of 18 and 61 who has disabilities, as defined in **Definition of a Person with a Disability – Disabled Deduction / Preferences**. The person with disabilities does not need to be the head of household, but they cannot have reached the age of 62 as of the effective date of the initial HAP contract. The family must also meet all screening requirements as outlined in the chapter on **ELIGIBILITY FOR ADMISSION**.

20.4.2 Briefing

Families receiving a Mainstream voucher will receive the same briefing as described in the section on Error! Reference source not found..

20.4.3 Voucher Term

The term of the voucher will be 120 days. See the section on **Voucher Extensions for Mainstream, and FUP Participants** for additional information on the voucher term for Mainstream families.

20.4.4 Portability

Families with Mainstream vouchers are eligible to port to other housing authorities. If the family ports and the receiving housing authority has a Mainstream voucher, the family may remain a Mainstream participant regardless of whether the voucher is administered or absorbed. If the family ports and the receiving housing authority does not have a Mainstream voucher available, the family may receive a regular voucher.

20.5 NON-ELDERLY DISABLED (NED)

Non-Elderly Disabled (NED) vouchers are to assist non-elderly disabled families in leasing affordable private housing of their choice. To the extent possible, NED vouchers will be affirmatively marketed to a diverse population of NED-eligible families to attract protected classes least likely to apply.

20.5.1 Eligibility

To be eligible for a NED voucher the head, co-head or spouse must be a person between the ages of 18 and 61 who has disabilities, as defined in **Definition of a Person with a Disability – Disabled Deduction / Preferences**. The person with disabilities must be the head of household, co-head or spouse, and they cannot have reached the age of 62 as of the effective date of the initial HAP contract. The family must also meet all screening requirements as outlined in the chapter on **ELIGIBILITY FOR ADMISSION**.

For Category 2 NED vouchers, the head, co-head or spouse must be transitioning from residing in a nursing home or other healthcare institution and provided services needed to live independently in the community. Nursing homes or other healthcare institutions may include intermediate care facilities and/or specialized institutions for persons with specific types of disabilities; however, board and care facilities such as adult homes/congregate living or adult day care are not included in this definition.

For each applicant, HABC will obtain and retain in the family's file documentation identifying the institution where the family lived at the time of voucher issuance.

20.5.2 Briefing

Families receiving a NED voucher will receive the same briefing as described in Error! Reference source not found..

20.5.3 NED Voucher Term

The voucher term for NED families is the same as for families in the regular HCV program. See the section on **Term of Voucher**.

20.5.4 Portability

Families with a NED voucher may port to other housing authorities.

20.5.5 Turnover

When a NED voucher turns over, it will be offered to the next NED family on the waiting list. If at any time HABC believes that it is not practicable to assist a NED family with a turnover NED voucher, HABC will contact HUD.

20.6 EMERGENCY HOUSING VOUCHERS (EHV)

Note: per PIH Notice 2025-19, the EHV program will fully sunset no later than the end of CY 2026. No further funding will be provided by HUD for this program. See PIH Notice 2025-19 and below for more information.

Emergency Housing Vouchers (EHVs) are tenant-based vouchers that were funded through the American Rescue Plan (ARP) Act of 2021 to assist the individuals and families who meet one or more of the following qualifying criteria:

- Experiencing homelessness;
- At-risk of homelessness;
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking;
- Were recently homeless.

Per Notice PIH 2021-15, as of September 30, 2023, EHVs will not be reissued upon turnover of EHVs when families leave the program.

Per Notice PIH 2025-07, HABC will no longer absorb any EHV family that ports into HABC, but will instead administer the voucher.

20.6.1 Termination of EHV Assistance Due to Lack of Continued Program Funding

Per PIH Notice 2025-19, the EHV program will fully sunset no later than the end of CY 2026, and no further funding will be provided by HUD for this program.

To mitigate the impact of the potential loss of assistance, HABC will make every effort to transition EHV families to its HCV or Mainstream voucher programs, to the extent that vouchers are available. To do so, HABC will establish a preference on the HCV waiting list for EHV families who are at risk of termination due to the lack of continued program funding. HABC will also provide a preference for any EHV family that experiences a loss or gap in assistance as a result of the lack of continued program funding.

See **Other Preferences: Emergency Housing Vouchers** for more information.

Upon approval from HUD, HABC will notify all EHV families that they are being placed on the regular HCV waiting list with an EHV preference to transition their voucher assistance to HABC's HCV program. No

action by the family will be required, unless the family wishes to terminate their assistance upon the termination of the EHV program.

HABC will comply with the PIC reporting requirements as outlined in Notice PIH 2025-19. Specifically, when admitting an EHV family from the HCV waiting list, the family will be coded on the HUD-50058 as "EHCV." Families who are transitioned to HCV immediately upon termination of EHV assistance shall be processed in the system as an interim (if leasing in place) or as a move (if moving to a new unit).

CHAPTER 21: MODERATE REHABILITATION & MODERATE REHABILITATION SINGLE ROOM OCCUPANCY

21.1 OVERVIEW

The purpose of the Mod Rehab Program is to upgrade substandard rental housing and to provide rental subsidies for low-income families.

Moderate rehabilitation is rehabilitation involving a minimum expenditure of $1,000 for a unit, including its prorated share of work to be accomplished on common areas or systems, to:

- Upgrade to decent, safe and sanitary condition to comply with inspection standards in accordance with the requirements in 24 CFR 5, Subpart G (Mod Rehab), 24 CFR 982, Subpart M (Mod Rehab SRO) or other standards approved by HUD, from a condition below these standards (improvements being of a modest nature and other than routine maintenance); or
- Repair or replace major building systems or components in danger of failure.

MTW policies do not apply to clients in Mod Rehab or Mod Rehab SRO units.

21.2 APPLICABLE POLICIES

Participants in the Section 8 Mod Rehab and Mod Rehab SRO Programs will be governed by all applicable terms and conditions in the non-MTW HCV Administrative Plan policies, except where specific policy provisions are referenced in this chapter.

21.3 MODERATE REHAB PROGRAM

21.3.1 Eligible Properties

Units in congregate housing and group homes as well as some SROs (single room occupancy) are eligible for assistance under the Mod Rehab Program.

The following properties are not eligible for assistance under the Mod Rehab Program:

- Nursing homes, units within the grounds of penal, reformatory, medical, mental, and similar public or private institutions, and facilities providing continual psychiatric, medical or nursing services;
- Housing owned by a State or unit of general local government; and
- High-rise elevator projects for families with children (unless HUD determines there is no practical alternative. HUD may make this determination for a locality's Moderate Rehabilitation Program in whole or in part and need not review each building on a case-by-case basis).
- Single room occupancy (SRO) housing, unless:
    - The property is located in an area in which there is a significant demand for such units as determined by the HUD Field Office; and
    - The HABC and the unit of general local government in which the property is located approve of such units being utilized for such purpose.

No Section 8 assistance may be provided with respect to any unit occupied by the owner of the unit; however, cooperatives will be considered as rental housing for purposes of the Moderate Rehabilitation Program.

21.3.2 Term of Housing Assistance Payments Contract

The contract for any unit rehabilitated in accordance with the program must be for a term of 15 years.

21.3.3 Term of Lease

The initial lease between the family and the owner must be for at least one year or the term of the HAP contract, whichever is shorter. In cases where there is less than one year remaining on the HAP contract, the owner and HABC may mutually agree to terminate the unit from the HAP contract instead of leasing the unit to an eligible family.

Any renewal or extension of the lease term for any unit may not extend beyond the remaining term of the HAP contract.

21.3.4 Physical Condition and Standards

- HABC will follow its Administrative Plan policies on

- **HOUSING QUALITY STANDARDS AND** INSPECTIONS for Mod Rehab units.
- HABC will conduct annual NSPIRE inspections of Mod Rehab units and at such other times as may be necessary to assure that the owner is meeting the obligations to maintain the unit in decent, safe and sanitary condition and to provide the agreed upon utilities and other services.
- HABC will also conduct complaint inspections when complaints are received and processed.
- If and when a unit fails an NSPIRE inspection, HABC will notify the owner that the unit(s) under contract are not being maintained in decent, safe and sanitary condition.
- If the owner fails to take corrective action (including corrective action with respect to the family where the condition of the unit is the fault of the family) within the time prescribed in the notice, the HABC will exercise any of its rights or remedies under the Contract, including abatement of housing assistance payments (even if the family continues in occupancy), termination of the Contract on the affected unit(s) and termination of assistance to the family.
- HABC will conduct periodic NSPIRE quality control audits on units on the Mod Rehab program.

Space and Security

A dwelling unit used in the Section 8 moderate rehabilitation program that is not SRO housing must have a living room, a kitchen area, and a bathroom. Such a dwelling unit must have at least one bedroom or living/sleeping room for each two persons.

Lead-Based Paint

The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR 35, Subparts A, B, H, and R of this title apply to the Section 8 Moderate Rehabilitation Program.

21.3.5 Other Federal Requirements

The moderate rehabilitation program is subject to applicable federal requirements in 24 CFR 5.105 and to the requirements for protection for victims of domestic violence, dating violence, or stalking in 24 CFR 5, Subpart L.

21.3.6 Initial Contract Rents

Fair Market Rent (FMR) Limitation

The FMR Schedule for Moderate Rehabilitation is 120 percent of the Existing Housing FMR Schedule, except that the Fair Market Rent limitation applicable to single room occupancy housing is 75 percent of the Moderate Rehabilitation Fair Market Rent for a 0-bedroom unit.

The initial Gross Rent for any Moderate Rehabilitation unit will not exceed the Moderate Rehabilitation FMR applicable to the unit on the date that the Agreement is executed except by up to 10 percent except where an exception rent applies. Subject to the limitations in the policies on Changes in Initial Contract Rents during Rehabilitation, HABC may approve changes in the Contract Rent subsequent to execution of the Agreement which result in an initial Gross Rent which exceeds the Moderate Rehabilitation FMR applicable to the unit by up to 20 percent.

Exception Rents

With HUD Field Office approval, HABC may approve initial Gross Rents which exceed the applicable Moderate Rehabilitation FMRs by up to 10 percent for all units of a given size in specified areas where HUD has determined that the rents for standard units suitable for the Existing Housing Program are more than 10 percent higher than the Existing Housing FMRs.

Determination of Initial Contract Rents

- The initial contract rent may in no event be more than:
    - The Moderate Rehabilitation FMR or exception rent applicable to the unit on the date that the Agreement is executed, minus any applicable allowance for utilities and other services attributable to the unit.
- When the initial contract rent is computed, the rent will be equal to the base rent plus the monthly cost of a rehabilitation loan. The base rent must be calculated using the rent charged for the unit or the estimated costs to the Owner of owning, managing and maintaining the rehabilitated unit.

Changes in Initial Contract Rents During Rehabilitation

- The initial contract rents will be the contract rents on the effective date of the Contract except under the following circumstances:
    - When, during rehabilitation, work items (including substantial and necessary design changes) which:
        - Could not reasonably have been anticipated or are necessitated by a change in local codes or ordinances, and
        - Were not listed in the work write-up prepared or approved by the HABC, are subsequently required and approved by HABC.
    - When the actual cost of the rehabilitation performed is less than that estimated in the calculation of contract rents for the Agreement or the actual, certified costs are more than estimated due to unforeseen factors beyond the owner's control (e.g., strikes, weather delays or unexpected delays caused by local governments).
    - When HABC (or HUD) approves changes in financing.
    - When the actual relocation payments made by the Owner to temporarily relocated Families varies from the cost estimated in the calculation of contract rents for the Agreement.
    - When necessary to correct errors in computation of the base and contract rents to comply with the HUD requirements.

21.3.7 Rent Adjustments

Annual Adjustments

The Annual Adjustment Factors which are published annually by HUD will be utilized. On or after each annual anniversary date of the Contract, the contract rents may be adjusted in accordance with HUD procedures, effective for the month following the submittal by the Owner of a revised schedule of contract rents.

The changes in rent as a result of the adjustment cannot exceed the amount established by multiplying the Annual Adjustment Factor by the base rents. However, if the amounts borrowed to finance the rehabilitation costs or to finance purchase of the property are subject to a variable rate or are otherwise renegotiable, contract rents may be adjusted in accordance with other procedures as prescribed by HUD, and specified in the Contract, provided that the adjusted contract rents cannot exceed the rents established by multiplying the Annual Adjustment Factor by the contract rents.

Overall Limitation on Contract Rent

Adjustments to rent must not result in material differences between the rents charged for assisted and comparable unassisted units, as determined by HABC.

Special Adjustment

A special adjustment, to the extent determined by HUD, to reflect increases in the actual and necessary expenses of owning and maintaining the unit which have resulted from substantial general increases in real property taxes, assessments, utility rates and utilities not covered by regulated rates, may be recommended by HABC for approval by HUD.

Subject to appropriations, a special adjustment may also be recommended by the HABC for approval by HUD when HUD determines that a project is located in a community where drug-related criminal activity is generally prevalent, and not specific to a particular project, and the project's operating, maintenance, and capital repair expenses have substantially increased primarily as a result of the prevalence of such drug-related activity. HUD may, on a project-by-project basis, provide adjustments to the maximum monthly rents, to a level no greater than 120 percent of the current gross rents for each unit size under a Housing Assistance Payments Contract, to cover the costs of maintenance, security, capital repairs and reserves required for the Owner to carry out a strategy acceptable to HUD for addressing the problem of drug-related criminal activity.

Rent Increases

Rent increases will be monitored on a per contract basis. The owner must give proper written notice to the tenant and the Authority. Annual increases will be calculated based on Mod Rehab program regulations. Properties that are not eligible for renewal are not eligible to receive rent increases. Mod Rehab contracts that are still in the initial period of contract are eligible to request rent increases when requested in writing prior to the anniversary date of the contract.

21.3.8 Mod Rehab Vacancies from Execution to Initial Occupancy

If a contracted unit is not leased within fifteen (15) days of the effective date of the Contract for such unit, the Owner will be entitled to housing assistance payments in the amount of 80 percent of the contract rent for the unit for a vacancy period not exceeding sixty (60) days from the effective date of the Contract. The owner is entitled to the vacancy claim if the owner has:

- Complied with the requirements of the Agreement concerning vacancies during rent-up;
- Taken and continues to take feasible actions to fill the vacancy; and
- Not rejected any eligible applicant except for good cause acceptable to HABC.

21.3.9 Mod Rehab Vacancy Claims – After Initial Occupancy

- If an assisted individual moves from a Contracted Unit after initial occupancy under the Contract (other than as a result of action by the Owner which is in violation of the lease or the Contract or any applicable law), the Owner must be paid the housing assistance payment due under the Contract for the period of the month in which the individual moves from the unit as the unit remains vacant.
- If the Contract Unit continues to remain vacant, HABC will provide the Owner with a housing assistance payment in the amount of 80 percent of the contract rent pro-rated for a vacancy period not exceeding one additional month. If the Owner collects any of the assisted individual's portion of the rent for the additional month, HABC will reduce the payment for the Contract Unit to an amount which when added to the individual's payment, does not exceed 80 percent of the prorated contract rent. The Owner must reimburse HABC for any excess payment.
- If the Owner evicts the assisted individual, the Owner is not entitled to any payment for vacancies after rent-up unless HABC determines that the Owner complied with all the requirements of the Contract (including requirements for termination of tenancy and eviction).
- The Owner is not entitled to any vacancy claim payment after initial lease-up unless the Owner:
    - Immediately upon learning of the vacancy, has notified HABC of the vacancy or prospective vacancy. HABC defines immediate in this instance to be within 15 calendar days of learning of the vacancy or prospective vacancy;
    - Has taken and continues to take all feasible actions to fill the vacancy;
    - Has not rejected any eligible applicant, except for good cause acceptable to HABC; and
    - If the owner evicts an eligible family, the owner will not be entitled to any payment unless HABC determines that the owner complied with all requirements of the Contract.

Prohibition of Double Compensation for Vacancies

The Owner will not be entitled to housing assistance payments with respect to vacant units if the Owner is entitled to payments from other sources (for example, payments for losses of rental income incurred for holding units vacant for relocatees pursuant to Title I of the HCD Act of 1974 or payments for unpaid rent under § 882.414 (Security and Utility Deposits)).

21.3.10 Security and Utility Deposits

- At the time of initial lease-up if the Owner wishes to collect a security deposit, the maximum amount shall be the greater of one month's Total Tenant Payment or $50. However, this amount shall not exceed the maximum amount allowable under State or local law.
- If a family vacates the unit, the Owner, subject to State and local law, may use the security deposit as reimbursement for any unpaid Tenant Rent or other amount which the family owes under the lease.
- If a family vacates the unit owing no rent or other amount under the lease consistent with State or local law or if such amount is less than the amount of the security deposit, the Owner shall refund the full amount or the unused balance to the family.

- In those jurisdictions where interest is payable by the Owner on security deposits, the refunded amount shall include the amount of interest payable. The Owner shall comply with all State and local laws regarding interest payments on security deposits.
- If the security deposit is insufficient to reimburse the Owner for the unpaid Tenant Rent or other amounts which the family owes under the lease, or if the Owner did not collect a security deposit, the Owner may claim reimbursement from the HABC for an amount not to exceed the lesser of:
    - The amount owed the Owner, or
    - Two months' contract rent; minus, in either case, the greater of the security deposit actually collected or the amount of security deposit the Owner could have collected under the program (pursuant to paragraph (a) of this section).
- Any reimbursement must be applied first toward any unpaid Tenant Rent due under the lease and then to any other amounts owed.
- No reimbursement may be claimed for unpaid rent for the period after the family vacates.

21.3.11 Subcontracting of Owner Services

Any Owner may contract with any private or public entity to perform for a fee the services required by the Agreement, Contract or lease, provided that such contract may not shift any of the Owner's responsibilities or obligations.

HABC Management

If the Owner and HABC wish to enter into a management contract, they may do so provided that:

- The Housing Assistance Payments Contract with respect to the housing involved is administered by another PHA, or
- Should another PHA not be available and willing to administer the Housing Assistance Payments Contract and no other management alternative exists, the HUD Field Office may authorize HABC management of units administered by HABC in accordance with specified criteria.
- Notwithstanding the provisions of regulations regarding Initial contract rents, HABC may not approve, without prior HUD approval, rents which exceed the appropriate Moderate Rehabilitation FMR for a unit for which it provides the management functions.

21.3.12 Waiting List

HABC will establish and waiting lists for its Mod Rehab properties and refer all eligible applicants on the waiting list to owners of units assisted through the Section 8 Existing Moderate Rehabilitation Program and SRO Programs.

21.3.13 Statement of Family Responsibility

A family who is determined eligible to participate in the Moderate Rehabilitation will be issued a Statement of Family Responsibility. Program tenants must comply with all terms and conditions of the Statement of Family Responsibility.

21.3.14 Over-Crowded and Under-Occupied Units

If HABC determines that the family either is under-utilizing or overcrowding the unit due to a change in the family composition, HABC will assist the family in locating another Moderate Rehabilitation, SRO or UBV Program unit of the appropriate size. If such a unit is not available, HABC may offer continued assistance through other programs administered by HABC. In no case will a family be forced to move nor will housing assistance payments under the Contract be terminated unless the family rejects without good reason the offer of a unit which HABC judges to be acceptable.

21.3.15 Adjustment of Utility Allowance

HABC will determine, at least annually, whether an adjustment is required in the Utility Allowance applicable to the dwelling units in the Program, on grounds of changes in utility rates or other change of general applicability to all units in the Program. HABC may also establish a separate schedule of allowances for each building of 20 or more assisted units, based upon at least one year's actual utility consumption data following rehabilitation under the Program. If HABC determines that an adjustment should be made in its Schedule of Allowances or if it establishes a separate schedule for a building which will change the allowance, HABC will then determine the amounts of adjustments to be made in the amount of rent to be paid by affected Families and the amount of housing assistance payments and will notify the Owners and Families accordingly. Any adjustment to the Allowance must be implemented no later than at the family's next reexamination or at lease renewal, whichever is earlier.

21.3.16 Lease

The lease will include all provisions required by HUD and will not include any provisions prohibited by HUD. The lease will provide that:

- Drug-related criminal activity engaged in on or near the premises by any tenant, family member, or guest, and any such activity engaged in on the premises by any other person under the tenant's control is grounds for the owner to terminate tenancy.
- The owner may terminate the tenancy of a family when the owner determines that a family member is illegally using a drug or when the owner determines that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
- The requirements in the section on Termination of Tenancy are incorporated into the dwelling lease between the Owner and the family.

Grounds for Termination of or Refusal to Renew the Lease

The Owner must not terminate or refuse to renew the lease except upon the following grounds:

- Serious or repeated violation of the terms and conditions of the lease;
- Violation of applicable federal, State or local law;
- Other good cause.

21.3.17 Termination of Tenancy

The Owner must serve a written notice of termination of tenancy to the family which states the date the tenancy shall terminate. Such date must be in accordance with the following:

- When termination is based on failure to pay rent, the date of termination must be not less than five working days after the family's receipt of the notice.
- When termination is based on serious or repeated violation of the terms and conditions of the lease or on violation of applicable federal, State or local law, the date of termination must be in accordance with State and local law.
- When termination is based on other good cause, the date of termination must be no earlier than 30 days after the notice is served on the family.

In actions or potential actions to terminate tenancy, the Owner shall follow 24 CFR 5, Subpart L, in all cases where domestic violence, dating violence, stalking, or human trafficking, or criminal activity directly related to domestic violence, dating violence, stalking, or human trafficking is involved or claimed to be involved.

The notice of termination must:

- State the reasons for such termination with enough specificity to enable the family to prepare a defense.
- Advise the family that if a judicial proceeding for eviction is instituted, the tenant may present a defense in that proceeding.
- Be served on the family by sending a prepaid first class properly addressed letter (return receipt requested) to the tenant at the dwelling unit or by delivering a copy of the notice to the dwelling unit.
- Include such information to tenants during a national emergency, as required by the Secretary.

Substitution of State and Local Requirements

In the case of failure to pay rent, a notice of termination which is issued pursuant to State or local law or is common practice in the locality and which satisfies the notice requirements may be substituted for or run concurrently with the notice.

Eviction

All evictions must be carried out through judicial process under State and local law. *Eviction* means the dispossession of the family from the dwelling unit pursuant to State or local court action.

21.3.18 Reduction of Number of Units Covered by Contract

Limitation on Leasing to Ineligible Families

Owners must lease all assisted units under Contract to Eligible Families. Leasing of vacant, assisted units to ineligible tenants is a violation of the Contract and grounds for all available legal remedies, including suspension or debarment from HUD programs and reduction of the number of units under the Contract.

Once the HABC determined that a violation exists, HABC will notify HUD of its determination and the suggested remedies. At the direction of HUD, HABC will take the appropriate action.

Reduction for Failure to Lease to Eligible Families

If, at any time beginning six months after the effective date of the Contract, the Owner fails for a period of six continuous months to have at least 90 percent of the assisted units leased or available for leasing by Eligible Families (because families initially eligible have become ineligible), HABC may, on at least 30 days' notice, reduce the number of units covered by the Contract.

HABC may reduce the number of units to the number of units actually leased or available for leasing by Eligible Families plus 10 percent (rounded up). If the Owner has only one unit under Contract and if one year has elapsed since the date of the last housing assistance payment, the Contract may be terminated with the consent of the Owner.

Restoration

HABC will agree to an amendment of the Contract, to provide for subsequent restoration of any reduction if:

- HABC determines that the restoration is justified by demand,
- The Owner otherwise has a record of compliance with obligations under the Contract, and
- Contract authority is available.

21.3.19 Initial Determination of Family Eligibility

HABC will receive and review applications, and determine family eligibility for participation. HABC will verify the sources and amount of the family's income and other information necessary for determining income eligibility and the amount of the assistance payments.

HABC records on applicants and Families selected to participate will be maintained so as to provide HUD with racial, gender, and ethnic data.

21.3.20 Selection of Families for Participation

When vacancies occur, HABC will refer to the Owner one or more appropriate size Families on its waiting list. HABC will select Families for participation in accordance with the provisions of the Program and in accordance with HABC's application, including any HABC requirement or preferences as approved by HUD.

HABC will select Families eligible for housing assistance payments currently residing in units that are designated for rehabilitation under the Program without requiring that these Families be placed on the waiting list.

Notwithstanding the fact that HABC may not be accepting additional applications for participation because of the length of the waiting list, HABC will not refuse to place an applicant on the waiting list if the applicant is otherwise eligible for participation and claims that he or she qualifies for a federal preference as provided in 24 CFR 5, unless the HABC determines, on the basis of the number of applicants who are already on the waiting list and who claim a federal preference, and the anticipated number of admissions under this part, that:

- There is an adequate pool of applicants who are likely to qualify for a federal preference and
- It is unlikely that, on the basis of HABC's system for applying the federal preferences, the preference or preferences that the applicant claims, and the preferences claimed by applicants on the waiting list, the applicant would qualify for assistance before other applicants on the waiting list.

21.3.21 Owner Selection of Families

All vacant units under Contract will be rented to Eligible Families referred by HABC from its waiting list. However, if HABC is unable to refer a sufficient number of interested applicants on the waiting list to the Owner within 30 days of the Owner's notification to HABC of a vacancy, the Owner may advertise or solicit applications from Low-Income Families and refer such Families to HABC to determine eligibility.

Since the Owner is responsible for tenant selection, the Owner may refuse any family, provided that the Owner does not unlawfully discriminate. However, the Owner must not deny program assistance or admission to an applicant based on the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, if the applicant otherwise qualifies for assistance or admission.

Should the Owner reject a Family, and should the family believe that the Owner's rejection was the result of unlawful discrimination, the family may request the assistance of HABC in resolving the issue. If the issue cannot be resolved promptly, the family may file a complaint with HUD, and HABC may refer the family to the next available Moderate Rehabilitation unit.

21.3.22 Denial of Assistance

HABC will follow the screening policies in this Administrative Plan to applicants to the Mod Rehab program, as outlined in the **DENIAL OF ASSISTANCE AND INFORMAL REVIEWS** chapter in this Plan.

21.3.23 Briefing of Families

When a family is initially determined to be eligible for housing assistance payments or is selected for participation in accordance with this section, HABC will provide the family with information as to the Tenant Rent and the HABC's schedule of Utility Allowances. Each family must also, either in group or individual sessions, be provided with a full explanation of the following:

- Family and Owner responsibilities under the lease and Contract;
- Significant aspects of the applicable State and local laws;
- Significant aspects of federal, State and local fair housing laws;
- The fact that the subsidy is tied to the unit and the family must occupy a unit rehabilitated under the Program;
- The family's options under the Program should the family be required to move due to an increase or decrease in family size; and
- The advisability and availability of blood lead level screening for children under 6 years of age and HUD's lead-based paint requirements in **24 CFR 35**, Subparts A, B, H, and R of this title.

- For all Families to be temporarily relocated, the briefing must include a discussion of the relocation policies.

21.3.24 Continued Participation of Family When Contract Is Terminated

If an Owner evicts an assisted family in violation of the Contract or otherwise breaches the Contract, and the Contract for the unit is terminated, and if the family was not at fault and is eligible for continued assistance, the family may continue to receive housing assistance through the conversion of the Moderate Rehabilitation assistance to tenant-based assistance under the Section 8 Voucher program.

The family will then be issued a voucher, and treated as any participant in the tenant-based program and will be assisted by HABC in finding a suitable unit. All tenant-based program requirements will be applicable except that the term of any housing assistance payments contract may not extend beyond the term of the initial Moderate Rehabilitation Contract.

If the family is determined ineligible for continued assistance, the voucher will be offered to the next family on HABC's waiting list. The unit will remain under the Moderate Rehabilitation ACC which provides for such a conversion of the units; therefore no amendment to the ACC will be necessary to convert to the Section 8 tenant-based assistance programs.

21.3.25 Ineligible Families

If a family is determined to be ineligible in accordance with HABC's HUD-approved application, either at the application stage or after assistance has been provided on behalf of the family, HABC shall promptly notify the family by letter of the determination and the reasons for it and the letter shall state that the family has the right within a reasonable time to request an informal hearing. If, after conducting such an informal hearing, HABC determines, based on a preponderance of the evidence, that the family is ineligible, it shall notify the family in writing.

21.3.26 Regular Reexaminations

HABC will reexamine the income and composition of all families at least once every 12 months. After consultation with the family and upon verification of the information, HABC will make appropriate adjustments in the Total Tenant Payment and determine whether the family's unit size is still appropriate.

21.3.27 Interim Reexaminations

If HABC receives information concerning a change in the family's income or other circumstances between regularly scheduled reexaminations, HABC will consult with the family and make any adjustments determined to be appropriate. Any change in the family's income or other circumstances that results in an adjustment in the Total Tenant Payment, Tenant Rent, and Housing Assistance Payment will be verified. HABC will follow Admin Plan policies on required and voluntary interim reexaminations.

21.3.28 Obligation to Supply Information

The family must supply such certification, release, information or documentation as HABC or HUD determine to be necessary, including submission of required evidence of citizenship or eligible immigration status, submission of Social Security numbers and verifying documentation, submission of signed consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies, and submissions required for an annual or interim reexamination of family income and composition.

21.3.29 Continuation of Housing Assistance Payments

A family's eligibility for Housing Assistance Payments shall continue until the Total Tenant Payment equals the Gross Rent. The termination of eligibility at such point will not affect the family's other rights under its lease, nor will such termination preclude the resumption of payments as a result of later changes in income, rents or other relevant circumstances during the term of the Contract. However, eligibility also may be terminated in accordance with HUD requirements for such reasons as failure to submit requested verification information, including failure to meet the disclosure and verification requirements for Social Security numbers, or failure to sign and submit consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies.

21.3.30 Maintenance and Operation

The Owner must provide all the services, maintenance and utilities as agreed to under the Contract, subject to abatement of housing assistance payments or other applicable remedies if the Owner fails to meet these obligations.

21.3.31 Periodic Inspection

In addition to the inspections required prior to execution of the Contract, HABC will inspect or cause to be inspected each dwelling unit under Contract at least annually and at such other times as may be necessary to assure that the Owner is meeting the obligations to maintain the unit in decent, safe and sanitary condition and to provide the agreed upon utilities and other services. HABC will take into account complaints and any other information coming to its attention in scheduling inspections.

Units Not Decent, Safe and Sanitary

If HABC notifies the Owner that the unit(s) under Contract are not being maintained in decent, safe and sanitary condition and the Owner fails to take corrective action (including corrective action with respect to the family where the condition of the unit is the fault of the family) within the time prescribed in the notice, HABC may exercise any of its rights or remedies under the Contract, including abatement of housing assistance payments (even if the family continues in occupancy), termination of the Contract on the affected unit(s) and assistance to the family.

21.3.32 Termination of Assistance

HABC will follow its policies in this Administrative Plan regarding termination of assistance.

In addition to other conditions governing termination of assistance as outlined herein, assistance through the HCV program will terminate when a family voluntarily vacates a Section 8 Moderate Rehabilitation unit.

21.4 MOD REHAB SRO FOR HOMELESS INDIVIDUALS

The Section 8 Moderate Rehabilitation Single Room Occupancy Program for Homeless Individuals (SRO) assists very low-income, single, homeless individuals in obtaining decent, safe, and sanitary housing in privately owned, rehabilitated buildings. The program is authorized under McKinney-Vento Homeless Assistance Act.

Under the Section 8 Mod-Rehab SRO Program at HABC, HUD enters into Annual Contributions Contracts with PHA (PHAs), whereby HUD agrees to provide annual support to cover housing assistance payments made by HABC to participating owners.

The Houston Housing Authority is responsible for providing the rental assistance for the SRO units. Additionally, HABC is responsible for verifying tenant eligibility and for conducting initial inspections and annual inspections on all units to ensure compliance with HUD's inspection standards.

21.4.1 Housing Assistance Payments Contract

- *Time of execution.* Upon HABC acceptance of the unit(s) and certifications pursuant to 882.507, the Contract will be executed by the Owner and HABC. The effective date must be no earlier than the HABC inspection which provides the basis for acceptance as specified §882.507(e).
- *Term of contract*. The contract for any unit rehabilitated in accordance with this program must be for a term of 10 years. The contract must give HABC the option to renew the contract for an additional 10 years.
- *Changes in contract rents from agreement.* The contract rents may be higher or lower than those specified in the Agreement, in accordance with §882.805(d).
- *Unleased unit(s).* At the time of execution of the Contract, the Owner will be required to submit a list of dwelling unit(s) leased and not leased as of the effective date of the Contract.
- *Contract rents at end of rehabilitation loan term.* For a contract in which the initial contract rent was based upon a loan term shorter than 10 years, the contract must provide for reduction of the contract rent effective with the rent for the month following the end of the term of the rehabilitation loan. The amount of the reduction will be the monthly cost of amortization of the rehabilitation loan. This reduction should result in a new contract rent equal to the base rent plus all subsequent adjustments.

21.4.2 Tenant Selection

The owner will rent all vacant units under contract to homeless individuals located through HABC or owner outreach efforts and determined by HABC to be eligible. The owner is responsible for tenant selection and may refuse any individual, provided the owner does not unlawfully discriminate.

If the owner rejects an individual, and the individual believes that the owner's rejection was the result of unlawful discrimination, the individual may request HABC assistance in resolving the issue and may also file a complaint with HUD's Office of Fair Housing and Equal Opportunity in accordance with 24 CFR 103.25. HABC will follow its informal review procedures for individuals who request HABC's assistance in resolving an issue related to an owner eligibility determination.

21.4.3 Waiting List

For Mod Rehab SRO, HABC will generally follow the provisions outlined in the Mod Rehab section of this Plan. However, homeless individuals have the first priority for occupancy of housing rehabilitated under this program.

21.4.4 Eligibility

- Applicants are screened and referred by the owner to HABC for vacant units. Applicant screening consists of owner screening for program eligibility and suitability to the SRO environment.
- Referring agencies complete HABC's program referral form which certifies the homeless status of the applicant being referred.
- Referring agencies must have applicants complete HABC's Project Based Application and Required forms.
- HABC reviews applications sent from the referring agency and determines family eligibility for the Mod/Rehab SRO Program in accordance with HUD regulations at 24 CFR 882.514(a) and HABC's Administrative Plan screening policies including:
    - Criminal background and sex offender screening;
    - Required EIV checks; and
    - Debts owed to HABC.
- Homeless individuals have the first priority for occupancy of housing rehabilitated under this program.
- HABC will verify the sources and amount of the family's income and other information necessary for determining eligibility and the amount of the assistance payments. HABC's verification procedures in the Administrative Plan are used by staff when determining eligibility for the program.
- If a family is determined to be ineligible, HABC will notify the family by letter of the determination and the reason. The letter states that the applicant has the right within 10 days to request an informal review.

21.4.5 Briefing

HABC conducts oral briefings for all families determined eligible for the program at the lease signing. Briefings will include the information as noted in the Mod Rehab section, except that it will not include a discussion of relocation policies.

21.4.6 Lease

The lease will include the provisions in the Mod Rehab section. In addition, the lease must limit occupancy to one eligible individual.

21.4.7 Addendum to the Lease

- The Section 8 Moderate Rehabilitation Program Addendum to the lease is signed by both the owner and tenant at HABC's office.
- In case of any conflict between the addendum and the owner lease and the addendum to the lease provisions prevail.
- The addendum to the lease must contain the following:

- Contract rent,
- Housing Assistance Payment payable by HABC,
- Amount payable by family (tenant rent portion),
- Utility responsibility.

21.4.8 Responsibility of the Individual

An individual who is determined eligible to participate in the Mod Rehab SRO will be issued a Statement of Family Responsibility. Program tenants must comply with all terms and conditions of the Statement of Family Responsibility.

21.4.9 Security and Utility Deposits

The provisions for the Mod Rehab program also apply to the Mod Rehab SRO program.

21.4.10 Tenant Rent

Mod Rehab SRO tenants pay rent in accordance with non-MTW policies on calculating rent.

21.4.11 Initial Contract Rent

Initial contract rents for the Mod Rehab SRO program will follow the provisions in the Mod Rehab section of this Plan.

21.4.12 Contract Rent Adjustments

- The SRO program provides for annual adjustments to the base rent to account for inflation over the 10 years of the HAP Contract. Generally, the Annual Adjustment Factor published by HUD is used to adjust SRO contract rents. Annual adjustments should provide the owner with a sufficient rent to operate and maintain the property during the HAP Contract. Additionally, HUD may approve special adjustments to reflect the increases in the actual and necessary expenses of owning and maintaining a unit which have resulted from substantial general increases in real property taxes, utility rates, and assessments and utilities not covered by regulated rates
- HUD may, on a project-by-project basis, provide adjustments to the maximum monthly rents, to a level no greater than 120 percent of the current gross rents for each unit size under a Housing Assistance Payments Contract, to cover the costs of maintenance, security, capital repairs and reserves required for the Owner to carry out a strategy acceptable to HUD for addressing the problem of drug-related criminal activity.
- The special rent adjustments will only be approved if and to the extent the Owner clearly demonstrates that these general increases have caused increases in the owners operating costs which are not adequately compensated for by annual adjustments.
- The Owner must submit financial information to the HABC which clearly supports the increase. For Contracts of more than twenty units, the Owner must submit audited financial information.
- Adjustments to the rent must not result in material differences between the rents charged for assisted and comparable unassisted units.

21.4.13 Steps to Review Moderate Rehabilitation Contracts (Mod Rehab) for Contract Rent Adjustments

Eligible SRO HAP contracts will have contract rents set at the lower of three analyses conducted:

- OCAF (Operational Cost Adjustment Factor) – Existing contract rents, adjusted by an operating cost adjustment factor (OCAF); When applying the OCAF, the HABC must use the most recently published factors.
- 110% of FMR (minus) Utility Allowance – Existing fair market rent (FMRs) (less any amounts for tenant-purchased utilities); or
- Rent Reasonableness test conducted by HABC – Comparable market rents for the market area.

21.4.14 Recertifications

HABC will conduct annual and interim recertification of income and family composition for SRO clients according to HABC's Administrative Plan policies on recertification, income and rent calculation for non-MTW participants. HABC does not apply MTW flexibilities to the SRO program units.

During recertifications, HABC will verify that only one individual is occupying the unit.

21.4.15 Vacancy Payments

Vacancy payments for Mod Rehab SRO units will follow the provisions in the Mod Rehab section of this Plan.

21.4.16 Continuation of Housing Assistance Payments

Continuation of HAP for the Mod Rehab SRO follow the provisions in the Mod Rehab section of this Plan.

21.4.17 Supportive Services

- The rental assistance provided by HABC will not be used for supportive services. Supportive services are provided either internally by case management staff at the development or services may be contracted to an outside vendor.
- The Mod Rehab SRO program does not provide funding to support the social services that are offered with this type of housing. Other federal programs, public or private health or social service agencies, or other project sponsor funding may fund supportive services.

21.4.18 Reduction in the Number of Units Covered under the Contract

Reduction in the number of units covered by the Mod Rehab SRO contract follow the provisions in the Mod Rehab section of this Plan.

21.4.19 Inspections

HABC will follow its policies on

HOUSING QUALITY STANDARDS AND INSPECTIONS for units on the SRO program.

21.4.20 Termination

HABC will apply to its Mod Rehab SRO program the provisions in the Mod Rehab section of this Plan.

21.4.21 Continued Participation When the Contract Is Terminated

The provisions in the Mod Rehab section of this Plan apply to the Mod Rehab SRO program.

CHAPTER 22: FAMILY SELF SUFFICIENCY (FSS)

22.1 OVERVIEW

The mission of the Family Self-Sufficiency (FSS) program is to assist enrolled families by maintaining an FSS Program which provides case management and peer support, coordinates with local resources and services needed by FSS participants, and offers concrete incentives, such as the FSS escrow account, to encourage families to set and achieve their short- and long-term goals toward employment and economic self-sufficiency.

Additionally, among the goals of the FSS program is to reduce the dependency on welfare and housing assistance and to enhance participants' abilities to achieve homeownership, if desired.

The FSS program helps eligible families work towards economic independence and self-sufficiency over the term of the contract by supporting the family's efforts to:

- Increase their earned income;
- Build financial capacity; and,
- Achieve their financial and personal goals.

Under its approved MTW Agreement and MTW Plans, HABC has modified and enhanced the FSS program in an effort to encourage participation and support completion of the program. The policies contained in this chapter reflect HABC's MTW FSS program.

HABC's FSS Action Plan describes HABC's local policies for operation of the FSS program in the context of federal laws, HABC's MTW policies and regulations.

22.2 GENERAL POLICIES

22.2.1 Definitions

- Effective date of Contract of Participation (CoP): the first day of the month following the date in which the FSS family and HABC entered into the CoP.
- Head of FSS family: the designated adult family member of the FSS family who has signed the CoP. The head of FSS family may, but is not required to be, the head of the household for purposes of determining income eligibility and rent.
- Seek Employment: the obligation to seek employment means searching for jobs, applying for employment, attending job interviews, and otherwise following through on employment opportunities.
- Suitable Employment: a determination of suitable employment shall be made by HABC with the agreement of the affected participant, based on the skills, education, job training, receipt of other benefits of the household member, and based on the available job opportunities within the community.

22.2.2 Program Benefits and Roles and Responsibilities

FSS staff will provide technical assistance and support, information and referral, and program activities (such as workshops, peer groups meetings, recreational events, etc.) to participants throughout their FSS participation in order to assist the family in meeting their goals. It is to be expected that the types and level of assistance will vary over time, depending on each family's situation. The FSS Coordinator will establish

program expectations around communication methods and frequency in order to maintain regular contact with participating families; beyond this, it is the role of the family to initiate contact if they feel that they need additional services, resources, or support.

22.2.3 Outreach

HABC will establish procedures to ensure that eligible families are informed about the program, offered the opportunity to enroll on a voluntary basis, offered a thorough family and employment development assessment, and assisted in identifying employment and other self-sufficiency goals for the participation period. Outreach is done primarily in areas where there exists a high concentration of HABC family development sites.

Outreach efforts will be targeted equally to all families, using materials in both English and other commonly spoken languages to ensure that non-English and limited English-speaking families receive information and have the opportunity to participate in the FSS Program. In conducting outreach, HABC will account for the needs of person with disabilities, including persons with impaired vision, hearing, or mobility, and provide effective communications to ensure that all eligible who wish to participate are able to do so.

22.2.4 Program Size

Over time, HABC hopes to serve all families who are interested in participating in the FSS Program. The number of spaces available in the program at any given time, however, will be limited by the program's resources, including the number of FSS coordinators funded to work with FSS participants. New families will be admitted to the FSS program as space permits.

22.2.5 Head of the FSS Family

The head of the FSS family is designated by the participating family. HABC may make itself available to consult with families on this decision, but it is the assisted household that chooses the head of the FSS family that is most suitable for their individual household circumstances.

Any adult household member can be designated as the head of the FSS family. The designation or any changes by the household to the head of the FSS family must be submitted to HABC in a form developed by HABC. Both the head of household and head of the FSS family will sign a form stating that they have approved this designation prior to the CoP effective date.

- The head of FSS family is the individual who will complete and sign the CoP.
- The head of FSS family will be responsible for meeting the goals set in the Individual Training Service Plan (ITSP) and for all other responsibilities as defined in the CoP and the ITSP associated with the FSS Program, including finding, and maintaining suitable employment.
- The head of FSS family will receive the escrow check at graduation.

22.3 FAMILY SUPPORT NEEDS

To help determine the supportive service needs of each family, the FSS coordinator will work with the family to complete an initial informal needs assessment for that family before completion of the initial Individual Training Service Plan (ITSP) and signing of the contract of participation. The supportive service needs may also be based on experience with past FSS or other supportive service participants and input from the Program Coordinating Committee (PCC) or other service providers.

After enrollment in the FSS program, the FSS coordinator may make referrals to partner agencies for completion of one or more formal needs assessments. These assessments may focus on such issues as:

employment readiness and employment training needs, educational needs related to secondary and post-secondary education, financial health, and other topics, depending on the needs and interests of the family.

The formal assessments may lead to adjustments to the Individual Training Service Plan, if requested by the family.

22.4 RE-ENROLLMENT POLICY

The following previous FSS families will be allowed to re-enroll in HABC's FSS program:

- FSS participants who withdrew voluntarily;
- Families involuntarily terminated; and,
- Family member who were not Heads of FSS Family previously.

The following conditions apply to re-enrollment:

- FSS participants who have withdrawn voluntarily, and families involuntarily terminated from the FSS program prior to five (5) years of the date of termination.
- Family members on the voucher will be eligible to re-enroll as the head of FSS family.
- Family members who were not heads of the FSS family previously can enroll immediately in the program, if there was no escrow payout.
- The head of FSS family must adhere to all rules and regulations with the intent to successfully graduate from the program.

22.5 PROGRAM COORDINATING COMMITTEE (PCC)

To ensure ongoing coordination of services, the Program Coordinating Committee (PCC) assists HABC in securing commitments of public and private resources for the operation of the FSS program and helps the FSS program to identify and build strong referral relationships with providers of supportive services that meet the needs of FSS participants.

The PCC will consist of the following representatives:

- One or more FSS Program Coordinators;
- One or more participants from each HUD rental assistance program served by the FSS program; and,
- Representatives from a variety of agencies and individuals, which include but are not limited to the following:
    - Workforce
    - Banking Institutions – Financial Literacy Education
    - Education
    - Skills Training
    - Small Business Development
    - Mental Health Care
    - Crisis Services
    - Childcare Services

- Homeownership
- Legal Services

22.6 SELECTION OF FSS PARTICIPANTS

FSS participants will be selected from the universe of current HCV and public housing participants. Participation is on a voluntary basis. Any HCV participant who expresses an interest will be afforded the chance to participate in the FSS program.

A waiting list will be maintained for families whose applications cannot be accepted at the time of initial application due to program capacity limits. The waiting list will include the name and contact information for the head of household of the applicant family, the date of their application and goals intended to accomplish.

Families will be selected based on the date and time the family expressed an interest in participating in FSS. There are no selection preferences for participation in HABC's FSS program. Families will be selected in a nondiscriminatory manner without regard to race, color, religion, gender, family status, national origin, sexual orientation, or handicap.

22.7 ELIGIBILITY

All families participating in HABC's Housing Choice Voucher Tenant-Based Voucher program, Family Unification Program (FUP), and Veteran Affairs Supportive Housing (VASH) program are eligible to enroll in the FSS program. Household members must be 18 years of age and older to participate in the FSS program. HABC will not use any motivational screening factors to measure a family's interest and motivation to participate in the FSS program.

HABC will use the following criteria to determine eligibility for participation in the FSS program:

- Must be a current participant in one of the following programs:
  - HABC's Public Housing program,
  - Housing Choice Voucher Tenant-Based Voucher program,
  - Family Unification Program (FUP), or
  - Veteran Affairs Supportive Housing (VASH) program.

22.8 FSS CONTRACT OF PARTICIPATION

A family enrolls in the FSS Program, with all rights and responsibilities, by entering into an FSS Contract of Participation (CoP), including an Individual Training and Services Plan (ITSP), and signing the CoP with HABC. FSS participants are subject to all applicable regulations and policies that are stipulated in the CoP.

HABC will use the income taken from the amounts on the last regular or interim reexamination before the family's initial participation in the FSS program. The CoP shall state that each FSS Family will be required to fulfill CoP obligations no later than the completion date of the CoP.

In order to maintain good standing in the FSS Program, with all attending program benefits, the participating family must remain in compliance with all terms of the FSS CoP, which includes the ITSP and the family's obligations under the Housing Choice Voucher Program (HCVP). HABC will establish procedures for addressing situations in which a family is not in compliance with the FSS CoP.

Prior to enrollment in the FSS Program, the family will set personal achievable goals and specific interim goals as a means to measure the family's progress toward achieving economic independence. The designated head of each family participating in the FSS Program must execute an FSS CoP.

The CoP incorporates the ITSP for each participating member of the family. The CoP sets forth the principal terms and conditions governing participation in the FSS program.

A family's participation in the Public Housing or HCV program will not be terminated solely for failure to comply with the FSS CoP or FSS program requirements.

> ***MTW Policy***
>
> HABC utilizes an MTW Contract of Participation (CoP) to reflect its MTW policies. Where HABC provides existing FSS participants the option to convert to the FSS Final Rule and sign a new CoP or retain their existing CoP, each existing FSS family will be required to make that determination by December 31, 2024. Thereafter, existing FSS participants with CoPs in place when the final rule was effective, will have their pre-final rule CoP contracts stand through the remainder of their participation.

22.8.1 Modifications to the FSS Contract of Participation

HABC and the FSS family may mutually agree to modify the CoP with respect to the ITSP and/or the contract term, and/or designation of the head of the FSS family. All modifications must be in writing and signed by HABC as well as the head of the FSS family. HABC will allow modifications at any time during the term of the CoP, under the circumstances specified below.

HABC will allow for modifications to the CoP under the following circumstances:

- When the modifications to the ITSP improve the participant's ability to complete their obligations in the CoP or progress toward economic self-sufficiency.
- When the designated head of the FSS family ceases to reside with other family members in the assisted household, and the remaining family members, after consultation with HABC, designate another family member to be the FSS head of family.
- When a relocating family is entering the FSS program of a receiving PHA and the start date of the CoP must be changed to reflect the date the new CoP is signed with the receiving PHA.

22.8.2 Contract Term & Extensions to the FSS Contract of Participation

> ***MTW Policy***
>
> HABC utilizes a 5-year term on all FSS CoPs, with the effective date of the CoP set as the first day of the month following the date the contract is executed. The expiration date will be five years from the effective date of the CoP. All new FSS participants as well as existing participants who convert to the Final Rule contract after this change has been approved, will be subject to the MTW term of the CoP.

Non-MTW Policy

The CoP will go into effect on the first day of the month following the execution of the CoP. The initial term of the CoP will run through the five-year anniversary of the first reexamination of income that follows the execution date.

Families may request up to two, one-year extensions and are required to submit a written request that documents the need for the extension. HABC will grant the extension if it finds that good cause exists to do so. In this context, good cause means:

- Circumstances beyond the control of the FSS family, as determined by HABC, such as a serious illness or involuntary loss of employment; or
- Active pursuit of a current or additional goal that will result in furtherance of self-sufficiency during the period of the extension (e.g., completion of a college degree during which the participant is unemployed or under-employed, credit repair towards being homeownership ready, etc.) as determined by HABC.

No contract extensions should be given solely to allow for the participant to earn more escrow. Families granted extensions will continue to have amounts credited to the family's FSS account.

22.8.3 Completion of the Contract

An FSS family will successfully complete its participation and be eligible to receive the amount in its FSS Escrow Account, less any amounts owed to HABC, when it has met the conditions established in FSS Program regulations. In most cases this will occur when the family is in good program standing, has come to the end of the contract period, and has met all goals outlined in the original or revised ITSP.

The family's contract will be considered complete if the FSS family has fulfilled all obligations under the contract on or before the expiration of the contract term (or extension). The family must provide appropriate documentation that each of the ITSP goals has been completed. HABC requires a combination of self-certification and third-party verification to document completion of ITSP goals.

A family may request to be determined to have successfully completed their FSS participation prior to the end of their contract period, and if HABC determines that they have met the requirements for successful completion they will be eligible to graduate and receive their escrow account funds.

22.8.4 Consequences of Non-Compliance with the Contract

If the family does not comply with the contract, HABC may:

- Withhold the supportive services; or
- Terminate the family's participation in the FSS Program.

22.8.5 Termination of the FSS Contract

At every stage in the program, HABC will work with participants to address challenges and barriers to their continued participation and to support their graduation from the program.

Involuntary Termination

HABC may involuntarily terminate a family from FSS under the following circumstances:

- Failure to seek and maintain suitable employment after completion of the job training programs listed in the ITSP.
- Expiration of the CoP.
- Non-compliance with the FSS rules and regulations and the case manager has been unable to locate the participant.

- Non-compliance with the terms of the voucher.
- A family member did not become independent of welfare assistance and remain independent at the time of graduation.

Participants who fail to meet their obligations as described above, will be given an opportunity to attend a required meeting with the FSS Coordinator or assigned HABC representative to review the situation. At this meeting, a review of the CoP, ITSP, and all related documentation will be conducted, and amendments will be made as necessary (within HUD guidelines) to allow for changes in circumstances.

Failure to contact the FSS Coordinator to schedule this meeting within fourteen (14) days of a written request by the FSS program to set up a meeting, or failure by the head of FSS family to attend this meeting without some type of correspondence to clarify the issue(s), may lead to termination from the program. The FSS Coordinator will also attempt to contact the participant via phone, text, in person and/or email prior to the review meeting. Participants who remain out of compliance after this meeting will be subject to termination from the FSS program.

If the initial meeting does not resolve the problem, or if the meeting is not requested by the family within the required period, notification of termination will be made to the family by letter stating:

- The specific facts and reasons for termination; and
- The family's right to request an informal hearing and the date by which this request must be received (see *Grievance Procedures)*; and
- Termination from the FSS program for the reasons stated therein will not result in termination of the family's housing assistance. Failure to request a hearing in writing by the deadline will result in closure of the family's FSS file and all rights to a hearing will be waived. All escrow money held on the family's behalf will be forfeited in accordance with HUD regulations. Housing assistance will not be terminated based on non-compliance with the FSS program. The current amount of escrow in the family's escrow account will be included in the letter.

HABC will terminate participation in the FSS program and require forfeiture of the FSS escrow without terminating the family's assistance as a consequence of not completing the obligations of the ITSP or FSS CoP. HABC will review the circumstances of the non-compliance to determine the appropriate remedy. HABC may also consider renegotiating or revising the ITSP with the family.

Voluntary Termination

Participants may also be terminated from the FSS program under the following circumstances:

- Service Coordinator made efforts to inquire about the nature of the withdrawal, attempted to prevent the withdrawal, and received a mutual consent of both parties; and/or
- The family withdraws from the program.

22.8.6 Termination with Escrow Disbursement

In most cases, families whose FSS contracts are terminated will not be entitled to disbursement of their accrued FSS escrowed funds. However, The CoP will be terminated with FSS disbursement of escrow when one of the following conditions occurs:

- Services that HABC and the FSS family have agreed are integral to the FSS family's advancement towards self-sufficiency are unavailable; or

- The head of the FSS family becomes permanently disabled and unable to work during the period of the contract, unless HABC and the FSS family determine that it is possible to modify the contract to designate a new head of the FSS family; or
- An FSS family in good standing moves outside of HABC's jurisdiction and continuation of the CoP after the move, or completion of the CoP prior to the move, is not possible.

22.8.7 Grievance and Hearing Procedures

If HABC decides to withhold escrow, terminate FSS supportive services or terminate the FSS contract because the family failed to comply with its FSS contract, HABC will offer the family the opportunity for a hearing in accordance with HABC's grievance procedures.

22.9 INDIVIDUAL TRAINING AND SERVICE PLAN (ITSP)

As a required attachment to the FSS CoP, the family head of household also signs the FSS Individual Training and Service Plan (ITSP). The ITSP outlines the steps that the participant will take during the contract period to meet their goals and the program requirements of working toward, obtaining, and maintaining suitable employment and becoming independent of all forms of welfare assistance prior to the end of their contract period.

Each individual's ITSP will establish specific interim and final goals by which HABC and the family will measure the family's progress towards fulfilling its obligations under the CoP. The FSS Coordinator will work with each participating individual to identify additional ITSP goals that are relevant, feasible and desirable. Any such additional goals will be realistic and individualized.

The FSS ITSP may by amended by mutual agreement between the participant and the FSS program, with such changes made in writing and signed, then becoming the required attachment to the FSS COP.

The ITSP includes:

- The final and interim goals for the participating FSS family member(s).
- The supportive services to be provided to the family member(s).
- The activities to be completed by the family member(s).
- The agreed upon completion dates for the services and activities.
- For any FSS family that is a recipient of welfare assistance at the outset of the CoP or that receives welfare assistance while in the FSS Program, every member of the family must become independent from welfare assistance before the expiration of the CoP. This mandatory goal must be included in all CoPs regardless of whether the household is receiving public assistance at enrollment.
- A final mandatory goal to seek and maintain suitable employment. Only the FSS head is required to obtain employment as a condition of completing the contract goals.

Each ITSP must be signed by HABC and the participating FSS family member, and is attached to, and incorporated as part of the CoP. An ITSP must be prepared for each adult family member who elects to participate in the FSS Program, including the head of the FSS family who has signed the CoP.

22.9.1 Determination of Suitable Employment

A determination of what constitutes "suitable employment" for each family member will be made by HABC with the agreement of the affected participant, based on the skills, education, job training and receipt of other benefits of the family member and based on the available job opportunities within the community.

22.10 CHANGE IN FAMILY COMPOSITION

If the head of the FSS family leaves the family during the term of the contract, and the remaining family members want to continue participation in the FSS program, a remaining FSS family member, 18 years or older, shall have the right to take over the CoP. A new FSS Head of Family form will be signed. The contract will be revised to reflect the new head of the FSS family, who will be the family member eligible to receive the escrow.

If any family member with an ITSP leaves the assisted family during the term of the FSS contract, HABC will delete the ITSP for that family member.

HABC will determine whether new or revised ITSPs need to be established for the family to continue its participation in the FSS program.

If the initially designated head of the FSS family or any other family member with an ITSP did not meet the obligations under the contract, HABC may terminate the FSS contract.

22.11 PROVISION OF SERVICES

Families that participate in the FSS program will be assigned an FSS coordinator who will provide coaching services to help each participating family to:

- Understand the benefits of participating in the FSS program and how the program can help the family achieve its goals.
- Identify achievable, but challenging interim and final goals for participation in the FSS program, break down the goals into achievable steps and accompany the family through the process.
- Identify existing family strengths and skills.
- Understand the needs that the family has for services and supports that may help the family make progress toward their goals.
- Access services available in the community through referral to appropriate service providers.
- Overcome obstacles in the way of achieving a family's goals.

Drawing on partners on the PCC and relationships with other service providers, the coaches will provide referrals, as needed, to help FSS participants access appropriate services to help them achieve their goals. These resources include, but are not limited to the following:

- Assessment
- Childcare, including infant care, toddler care, preschool care and after school care
- Education
- Skills training
- Job search assistance
- Micro and small business development

- Homeownership preparation
- Transportation
- Health/mental health care
- Crisis services
- Child/adult protective services
- Household management
- Individual development accounts
- Legal services
- Debt resolution and credit repair
- Financial empowerment

HABC develops partnerships and/or relationships with critical service providers in order to facilitate access to services as needed. Examples of sources/partners that may provide services are: the Division of Rehabilitation Services, Chimes, Healthy Start, Baltimore Infants & Toddlers, Learning How Children Development Care, Midway Community Development Corporation, Baltimore City Community College, Mayor's Office of Employment Development, People Accessing Continued Employment, Pathways and Training in Healthcare, Small Business Administration, Transformation Health, University of Baltimore – School of Social Work, Baltimore Crisis Response Unit, Department of Social Services, HABC Service Coordination, and other agencies.

HABC is responsible to ensure that the services provided to the family are adequate. If a social service agency fails to deliver the supportive services identified in the ITSP or a supportive service is not available, HABC will make a good faith effort to obtain the services from another agency. If HABC is unable to obtain the services, they will decide whether another available service would achieve the same purpose. If the unavailable services are not key to the family's ability to achieve self-sufficiency, HABC will revise the ITSP to delete the services and modify the contract accordingly. If the services are integral, HABC will declare the contract null and void.

22.12 ESCROW ACCOUNTS

FSS participants are eligible to build savings from the FSS escrow account. The family's annual income, earned income, and tenant rent are inserted into the CoP at execution. These become the baseline figures for future escrow calculations. Escrow credits are based on increases in earned income. HABC will establish an FSS Escrow Account with subsidiary ledgers to track FSS Escrow Account balances applicable to each participating family. Other escrow account features include:

- Increases in income other than earned income do not contribute to the escrow credit.
- If additional family members are approved by HABC, their earned income is counted when computing the escrow regardless of whether they have an ITSP.
- No credits will be made to the family's FSS escrow account after the FSS family has completed the CoP or when the contract is terminated or otherwise nullified.
- If during the period of the CoP, the earned income stops and the rent is reduced, the escrow will stop.

Earned Income is income from wages, tips, salaries, other employee compensation, military pay that is normally included in the annual income definition and any earnings from self-employment. Earned income does not include pensions, annuity payments, transfer payments, cash or in-kind benefits, or funds deposited

in or accrued interest on the escrow account established by HABC or the Initial Housing Authority on behalf of a participating family.

22.13 FSS INCENTIVES

MTW Policy

HABC will also offer FSS participants the opportunity to earn incentive payments to encourage attainment of established goals. HABC has established the interim incentives outlined below:

- $500 for obtaining an educational or vocational certification (maximum of $1,000).
- $50 for opening a bank account with an accredited financial institution, within the first year of program participation.
- $50 for completing the budgeting series Your Money, Your Goals, within the first year of program participation.
- $100 for completing interim contract goals, other than education/vocation (maximum of $200)

22.14 FSS ESCROW CREDIT

FSS families are eligible for escrow account credits when the family's income increases due to increases in earned income that result in an increase in tenant rent. During each regular or interim reexamination for an enrolled family, income will be examined to determine if the family will receive escrow credit.

Unless required by policy, FSS families are not required to report increases in income between regular reexaminations; however, if an FSS family chooses to report an increase in income for escrow credit, HABC will process the interim increase and the family rent will be recalculated.

HABC will provide the opportunity for escrow credit to all FSS families regardless of their income level; however, families with adjusted annual income that exceeds 80% of AMI are not entitled to receive escrow credit.

All earned income that had been disregarded due to a self-sufficiency program (such as EID) would be INCLUDED when the baseline is set; however, this will have no impact on the participant's rent. This provision is used to set the baseline income.

MTW Policy

HABC has established an escrow model in which the monthly escrow amount is determined by the family's annual earned income, rather than the change in their Total Tenant Payment (TTP). FSS families will receive escrow according to income tiers; the family must earn at least $14,500 in order to begin escrowing savings. Escrow increases in $25 increments starting at $50.

If the family's earned income decreases below $14,500 during their participation, they will no longer receive escrow. However, if the family's earned income later increases and meets or exceeds $14,500, they will again receive escrow.

All new FSS participants and existing FSS participants who are not accruing escrow when the tiered escrow program is implemented, will be required to use the income tier escrow model. Existing FSS participants who are accruing escrow when the tiered escrow program is

implemented, will be able to select the existing escrow model or the tiered escrow model at their next regular or interim recertification.

HABC may make modifications to factors in the revised escrow model such as earned income bands and escrow amount in future fiscal years in order to meet FSS program objectives and economic and budget conditions.

22.14.1 Timing of the Escrow Credit Calculations

When the family is selected for the FSS program and executes a CoP, HABC will enter the baseline income data into the contract.

There will not be an escrow calculation until the family has a qualifying increase in earned income after the date of the contract. If at enrollment, an FSS family does not have an open certification, HABC will use the last completed certification to inform the baseline income and rent.

Thereafter, whenever HABC conducts a regular or interim reexamination during the contract, HABC will also calculate the monthly escrow credit.

HABC will follow the Administrative Plan to determine whether an interim reexamination should be conducted, and whether or not escrow will be recalculated.

If the family has one or more interim reexaminations during the year, the monthly escrow amount may change during the year. Otherwise, the monthly escrow credit will remain the same for the entire period between regular reexaminations.

22.14.2 Crediting the Escrow Account

HABC will deposit all escrowed credits into a single, interest-bearing depository account.

The IRS does not count the funds or interest on the funds in the escrow account as income for purposes of income taxes, either before or when the family actually receives the escrow. No 1099 should be prepared or sent.

The total of the combined FSS account funds for families will be supported in HABC's accounting records by a subsidiary ledger. This ledger will show the balance applicable to each FSS family.

HABC should credit the account monthly since interim adjustments may change the amount of the credit.

If HABC finds that a family did not report income they were required to report, HABC will not credit the family's escrow account retroactively with any portion of the unreported income.

In addition, if the family committed program fraud, it is grounds for termination from the HCVP, as well as the FSS program.

When a family moves, an income certification is completed in conjunction with the move effective date. However, when a move has a mid-month effective date, the escrow credit will not be adjusted to reflect the move certification until the first of the month following the move effective date.

22.14.3 Investing the FSS Escrow Account

HABC will deposit the FSS escrow account funds of all families in an FSS program into a single interest-bearing depository account. The investment income for funds in the FSS account will be prorated and credited to each family's FSS account. The credit will be based on the balance in each family's FSS account at the end of the investment income credit period.

22.14.4 Reporting on the FSS Escrow Account

HABC will make a report each year to each FSS family on the status of the family's FSS account.

HABC may opt to provide the report at the reexamination date, the end of the calendar year, or any other time selected by HABC.

At a minimum, the report must include:

- The balance at the beginning of the reporting period; and
- The amount of the family's rent payment that was credited to the FSS account during the reporting period; and
- Any deductions made from the account for amounts due HABC before interest is distributed; and
- The amount of interest earned on the account during the year (interest will be reported annually); and
- The total in the account at the end of the reporting period.

22.14.5 Interim Disbursements

Families may request an interim disbursement from the family's escrow account during the contract period, in order to pay for specific goods or services to help the family make progress toward achieving the goals in its ITSP. Requests may be made through the term of the CoP and must be made in writing and submitted to the FSS Service Coordinator.

HABC may, at its sole discretion, disburse a portion of the funds from the family's escrow account during the contract period if the head of the FSS family:

- Is employed at the time of the disbursement request (part-time or full-time);
- Is in good standing with HABC;
- Has been enrolled in the FSS program for at least one year; and
- Has completed half of their goals.

Interim disbursements cannot exceed 50% of the account's balance. HABC will make a determination of whether the family qualifies for the requested interim disbursement on a case-by-case basis. HABC will first explore options for services and in-kind donations from partners, before approving a request for an interim disbursement.

Examples of expenses which may justify an interim escrow disbursement include but are not limited to the following. The family is required to provide documentation of the expense(s):

- Purchasing a vehicle.
- Closing costs, down payment, taxes and fees towards homeownership.
- Payments for post-secondary education.
- Credit repair.
- Small business start-up costs.

22.14.6 Disbursing the FSS Escrow Account

The amount in an FSS account, in excess of any amount owed to HABC by the FSS family, is paid to the head of the FSS family:

- When the CoP has been completed (even if the contract term has not expired); or
- When, at contract completion, the head of the FSS family certifies that, to the best of his/her knowledge and belief, no family member receives federal or state welfare assistance. An intergenerational family whose head becomes independent of welfare assistance but whose adult child with a child continues to receive TANF is not eligible for the escrow because ALL family members must be free of federal and state welfare assistance at graduation.

Even if the family is welfare-free at contract expiration date, if the family has not met its other FSS obligations, including the requirement that the head of the FSS family seek and maintain suitable employment, the family is not eligible for the escrow.

The balance in the family's FSS account shall be reduced at final disbursement if the family has not paid the family contribution towards rent or other amounts. Such reduction in the FSS account will be equal to the amount due. If the amount owed by the family is greater than the escrow amount, all escrows will go to pay the amounts owed.

If the FSS family has been found to have under-reported income, the amount credited to the FSS escrow account will be based on the income amounts originally reported by the FSS family.

If the head of the FSS family ceases to reside with other family members on the voucher, the remaining family of the FSS family, after consultation with HABC, shall have the right to designate another family member to receive the funds.

22.14.7 Use of FSS Escrow Funds

The family may use the final disbursement of escrow account funds without restriction.

An FSS family may use its FSS escrow account funds for the purchase of a home, including a home:

- Under one of HUD's homeownership programs; or
- Under other federal, State, or local homeownership programs.

If a family receives an interim disbursement from their escrow account prior to completing the contract, the interim disbursement does not have to be repaid to HABC if they withdraw from the FSS program, unless the payment was based on fraud or misinformation by the family.

22.14.8 Forfeiting the Account

Amounts in the FSS account will be forfeited if:

- The CoP is terminated; or
- The CoP is completed but the family is receiving welfare assistance when the contract expires, including extensions; or
- The CoP is completed; however, the head of the FSS family has not sought and maintained suitable employment.

If the head of the family dies and the remaining members of the family choose not to continue participating in the program and the contract obligations have not been met, the escrow funds would be forfeited.

If families do not pay their rent, the funds may be forfeited because:

- Compliance with the lease is a family obligation under the contract; and
- Non-payment of rent is grounds for terminating a family's FSS participation and forfeiture of the escrow.

FSS escrow account funds forfeited by the FSS family will be used by HABC for the benefit of the FSS participants in good standing. Any such use of forfeited funds is based upon availability of forfeited funds.

At HABC's discretion, forfeited escrow funds may be considered in lieu of an interim disbursement. Additionally, forfeited escrow funds may be deployed within one year of a household's CoP. Use of forfeited escrow funds may be requested by HABC or the head of the FSS family.

Eligible uses of forfeited escrow funds, include but are not limited to the following. HABC's FSS Action Plan includes guidelines and limitations on the eligible uses:

- Purchasing an vehicle;
- Child care;
- Training for participants;
- Employment or educational costs, including employment training, employment preparation, and education costs;
- Training for FSS program staff.

22.15 FAIR HOUSING

HABC will administer its FSS Program in accordance with all applicable Fair Housing and Equal Opportunity laws, HUD's NOFA requirements, HUD's Limited English Proficiency (LEP) guidelines, and in such a manner as to affirmatively further fair housing.

A person with disabilities may request reasonable accommodations to facilitate participation in the FSS program. Requests will be considered on a case-by-case basis. A person with disabilities may request the use of effective communication strategies in order to facilitate participation in the FSS program. HABC will comply with HUD requirement to conduct oral and written communication related to the FSS program in languages that are understandable to people with Limited English Proficiency.

22.16 FSS REPORTING REQUIREMENTS

HABC shall submit to HUD, as part of its MTW Annual Plan and MTW Annual Report a report regarding the MTW FSS program. The report will be in the format as prescribed by HUD including baseline, benchmarks and outcomes.

CHAPTER 23: HOMEOWNERSHIP

23.1 INTRODUCTION

Homeownership is a significant and important step towards creating a new era of self-sufficiency for HABC residents. HABC's homeownership program will further residents' major investments in not only their home, but also in the entire community and will be a major asset as Baltimore continues to strengthen and transform neighborhoods.

The HABC MTW Homeownership Program offers homeownership vouchers to current voucher holders and in addition has established **MTW SPECIAL HOMEOWNERSHIP VOUCHERS** to prioritize homeownership opportunities for Public Housing residents and families on the HCV and Public Housing waiting lists. The requirements for both types of Homeownership vouchers are described in this chapter.

23.2 HOMEOWNERSHIP PROGRAM

The homeownership option is used to assist a family residing in a home purchased and owned by one or more members of the family. HABC will approve a live-in aide if needed as a reasonable accommodation so that the program is accessible to and usable by persons with disabilities.

HABC reserves the right to restrict homeownership to families for purposes defined by HABC. HABC also reserves the right to limit the number of families assisted with homeownership.

HABC will offer a preference for the homeownership option to applicant or participant families who:

- Are currently enrolled and participating in a self-sufficiency program operated by a Federal, State or local agency.
- Are graduates of HABC's Family Self-Sufficiency (FSS) program.
    - Purchase a home under the Flag House Stipulation and Order entered in Thompson et. al. v. HUD et al. ("Flag Priority Buyers") (The Flag House Homeownership Term Sheet in Appendix II). The family must notify HABC of any adverse employment changes immediately. If the participant is separated from his/her employment and refuses employment counseling and or training, HABC in its discretion may terminate the homeownership assistance immediately.
    - Establishes the policies and eligibility requirements for the Flag House Homeownership program.
- Are participants in the homeownership program established pursuant to the Thompson Settlement Agreement.
- The Administrative Plan for Thompson v. HUD Partial Consent Decree Section 8 Programs ("Special Administrative Plan") establishes the policies and eligibility requirements for the homeownership program.

MTW Policy

Under the MTW Homeownership Program, HABC works with public housing residents, HCV participants and other eligible low-income households to prepare for first-time homeownership. The goals of the MTW Homeownership Program include:

- Increasing affordable first-time homeownership by eligible low-income families;
- Repurposing and rehabilitating HABC's vacant scattered site public housing units; and
- Supporting and leveraging the revitalization of Baltimore's neighborhoods.

HABC's MTW Homeownership Program has additional features to identify and provide additional homeownership opportunities and to assist potential homebuyers in becoming successful homeowners.

23.3 ELIGIBILITY REQUIREMENTS

The family must meet all of the requirements listed below before the commencement of homeownership assistance.

- The family must be eligible for a tenant-based Housing Choice Voucher.
- The family must qualify as a first-time homeowner or may be a co-operative member.
- The family must meet the Federal minimum income requirement.
    - Disabled families must receive the maximum monthly Federal Supplemental Security Income (SSI) benefits.
    - In cases of other non-disabled families, at least one adult family member who will own the home must have a gross annual income equal to the Federal minimum hourly wage multiplied by 2,000 hours.
    - Unless the family is elderly or disabled, income from welfare assistance will not be counted toward this requirement.
- The family must meet the Federal minimum employment requirement. At least one adult family member who will own the home must be currently employed full time and must have been continuously employed in that same position or higher, for one year prior to homeownership assistance (HUD regulations define "full time employment" as not less than an average of 30 hours per week).
- HABC shall have discretion to determine whether and to what extent employment interruptions are considered a break in the continuity of employment during the prior year; for example, HABC may count successive employment positions during the year as continuous employment if it's within the same field or occupation. HABC may also count self-employment in a business as continuous employment.

The employment requirement does not apply to an elderly family or a disabled family (head of household, spouse, or sole member is at least 62 years of age or disabled). Furthermore, if a family, other than an elderly family or a disabled family, includes a person with disabilities, if other family members are unable to work on a full-time basis because they are required to care for the person with disabilities, HABC shall grant an exemption from the employment requirement if it determines that an exemption is needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

Any family member who has previously defaulted on a mortgage obtained through the homeownership option is barred from receiving future homeownership assistance. HABC will impose the following additional initial requirements:

- The family has had no family-caused violations of HUD's Housing Quality Standards within the last year.
- The family is not within the initial 1-year period of a HAP Contract. (This requirement is waived for Flag Priority Buyers and Priority Buyers as defined above; this requirement is also waived for families relocated by HABC from a public housing development).

The HCVPHP first year of participation in the Housing Choice Voucher Program will be waived for families who have been approved for an HCV and have the ability to obtain a mortgage loan to purchase a home in Baltimore City.

- The family does not owe money to HABC.
- The family has not committed any serious or repeated violations of a HABC-assisted lease within the past 3 year/specified time period.

Non-regulatory requirements may be modified for applicants and/or program participants designated as members of a "Special Category" group with homeownership rights (see Chapter 3, Section 3.10, Special Categories).

MTW Policy

HCV Homeownership Voucher Program Eligibility

- HCV Voucher Holders

Special Homeownership Voucher Program Eligibility

- Public Housing Residents
- Project-Based Voucher Tenants
- Public Housing and HCV applicants on either waiting list

Section 32 (Scattered Site) Homeownership Program Eligibility

- HCV, SHV, and PBV Voucher Holders
- Public Housing Residents

Eligibility for non-disabled, elderly households and households where the only source of income is from a pension will include annual incomes equal to or greater than the Federal SSI benefit for an individual living alone (or paying his or her share of food and housing costs) multiplied by twelve.

HABC will establish priority tiers that identify the priority order of selection and may establish a waiting list including selection criteria if needed based on demand.

23.4 GOOD STANDING REQUIREMENTS

Applicants must be in good standing under their lease or HCVP (Section 8) voucher at the time of application to be approved for the Housing Choice Voucher homeownership program and must remain in

good standing prior to HABC authorization for a housing search and through the settlement of the property. Good standing is defined as follows:

- The participant is in compliance with the HCV program requirements.
- The participant is not currently under investigation for possible program violations.
- There is no breach of lease actions against the participant by a landlord in the HCV program;
- The participant's rent payments are current (including utilities and other charges); and
- The participant must have a record of timely rental payments (no late rental payments within a 12-month period). The current landlord must provide the participant's payment history and a letter of good standing. In the event the landlord does not comply with the request for good standing, HABC may use rent receipts and utility payment history provided by the participant.

23.4.1 Exceptions to the Employment and/or Income Requirements

An exception from the minimum employment requirements stated above will be granted to one or more adult members of the family who will own the home, and who has recently obtained a degree or Certification from an accredited university, college, or trade school and has secured full-time employment, subject to the following:

- Proof of graduation (diploma, certification) and date of graduation from the University, College, or Trade School; and
- Employment on a full-time basis for at least six (6) months in their field of study, immediately following graduation or completion of degree or certification program.

An exception from the minimum employment requirements will be granted to one or more adult members of the family who will own the home and whose employment provides an income which exceeds the required income threshold but who is not employed on a full-time basis, as long as:

- The number of hours worked per week is not less than 25; and
- The participant has been employed at his/her current position for a minimum of two (2) years (no temporary layoffs or gaps).

23.5 HOMEOWNERSHIP COUNSELING REQUIREMENTS

When the family has been determined eligible, they must attend and complete homeownership counseling sessions. These counseling sessions will be conducted by HABC staff or approved housing counseling agency. Such counseling shall be consistent with HUD-approved housing counseling. The following topics may be included in the homeownership counseling sessions:

- Home maintenance (including care of the grounds)
- Budgeting and money management
- Credit counseling
- How to negotiate the purchase price of a home
- How to obtain homeownership financing and loan pre-approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing

- How to find a home, including information about homeownership opportunities, schools, and transportation in the HABC jurisdiction
- Advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas
- Information about RESPA, state and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions.

> ***MTW Policy***
>
> All participants are required to enroll and complete the Homebuyer Readiness Training Program to receive any homeownership assistance from HABC including closing cost assistance or to purchase HABC owned properties, or to purchase properties from an authorized Presale/Resale entity.

23.6 ELIGIBLE UNITS

The unit must meet HUD's "Eligible Housing" requirements and meet all of the following requirements:

- The unit is located within the jurisdiction of Baltimore City.
- The unit already exists or is under construction at the time the family was determined eligible for homeownership assistance.
- The unit is a one-unit property or a single dwelling unit in a cooperative or condominium.
- The unit has passed inspection by HABC and by an independent inspector designated by the family and meets all lead safety standards.
- The unit meets HUD Housing Quality Standards.
- HABC will not approve the seller of the unit if HABC has been informed that the seller is debarred, suspended, or subject to a limited denial of participation.

The unit may not be any of the following:

- A unit receiving Housing Choice Voucher project-based assistance;
- A nursing home, board and care home, or facility providing continual psychiatric, medical or nursing services;
- A college or other school dormitory;
- On the grounds of penal, reformatory, medical, mental, or similar public or private institutions.

23.7 ELIGIBLE PROPERTIES AND FEASIBILITY

> ***MTW Policy***
>
> HABC scattered site properties are eligible for purchase under this program.
>
> The determination of which properties are eligible for homeownership will be made solely by HABC based on its assessment of the best interests of the community and the agency.

In the FY 2023 Annual Plan, HABC modified the eligible properties to include units developed in partnership with a developer where certain numbers of units are set aside for families in HABC's Homeownership program.

MTW Policy

HABC limits the scope of repairs and renovations of units disposed of directly by HABC to eligible purchasers to $75,000 per unit, which may be increased by HABC to accommodate renovations related to disability accessibility or rehabilitation of properties within historic districts. Notwithstanding this limit, the rehabilitation costs cannot be more than one-third of the appraised value after rehab.

23.8 REAL ESTATE AGENTS

HABC will require that real estate agents working with HABC homeownership families complete HABC's Homeownership Training Class.

23.9 HABC SEARCH AND PURCHASE REQUIREMENTS

HABC has established the maximum time that will be allowed for a family to locate and purchase a home. The family must locate a home to purchase, obtain financing, and submit all required documents including passed inspection and appraisal reports for the home within one-hundred twenty (120) calendar days of the date that eligibility for the homeownership program is determined. If additional time is required to obtain final loan commitments or closing cost assistance from a government agency, the family may receive a 60-day extension; however if granted, the family must purchase the home within one-hundred eighty (180) calendar days of the date eligibility for the homeownership program was determined.

HABC will not require periodic reports on the family's progress in finding and purchasing a home. If the family is unable to purchase a home within the maximum time limit, the family will remain on the rental program. The family must wait six months from the original expiration date of eligibility before re-admission to the Homeownership Program is granted. The family must also submit a written request for re-admission to the Homeownership Program. If the family can document extenuating circumstances that arose beyond their control, which prevented participation at the initial offering of homeownership assistance, a waiver of the six-month response period for homeownership participation may be granted. Such documentation must be submitted in writing to the Homeownership Office.

A family with a homeownership voucher must:

- Perform their home selection in person, unless a reasonable accommodation has been requested and approved by HABC.
- Conduct an in-person final walk-through of the unit just prior to closing; and
- Occupy the property within thirty (30) days of settlement. Failure to occupy the property within the required time frame may result in termination from the homeownership program and may also result in termination of assistance.
- Not incur additional debt by using credit cards to pay for services related to the purchasing of a property.

23.10 INSPECTION AND CONTRACT

The unit must meet Housing Quality Standards and must also pass a general housing inspection conducted by an independent professional inspector selected and paid by the family.

The independent inspection must cover major building systems and components. The inspector must be qualified to identify physical defects and report on property conditions, including major building systems and components. These systems and components include, but are not limited to:

- Foundation and structure
- Housing interior and exterior
- Roofing
- Plumbing, electrical and heating systems

The independent inspector must not be a HABC employee. HABC will not require the family to use an independent inspector selected by HABC, but HABC has determined that a licensed inspection organization must be used. Copies of the independent inspection report must be provided to the family and HABC. Based on the information in this report, the family and HABC will determine whether any pre-purchase repairs are necessary. HABC may disapprove the unit for homeownership assistance because of information in the report.

In addition to the HQS inspection and the independent inspection, the participant must have a termite inspection and Lead Paint Risk Assessment Test conducted on the home prior to homeownership assistance being provided. The unit must receive a rating of “Lead Free” or “Lead Safe” in order for the homeownership subsidy to be approved for the unit.

The family must enter into a contract of sale with the seller of the unit. A copy of the contract must be given to HABC. The contract of sale must specify the price and terms of the sale (the property must appraise at or above the sale price) and provide that the purchaser will arrange for a pre-purchase independent inspection of the home. HABC must approve the seller prior to the participant entering into the contract. The contract must also:

- Provide that the purchaser is not obligated to buy the unit unless the inspection is satisfactory;
- Provide that the purchaser is not obligated to pay for necessary repairs; and
- Contain the seller’s certification that he or she has not been debarred, suspended or subject to a limited denial of participation.

23.11 FINANCING

The family is responsible for securing financing. HABC has established financing requirements listed below and may disapprove of the proposed financing if HABC determines that the debt is unaffordable. HABC will prohibit the following forms of financing:

- Balloon payment mortgages
- Variable interest rate loans
- Interest only loans

- Seller financing (HABC may grant an exception in consideration of loans made by entities such as Habitat for Humanity and Neighborhood Assistance Corporation of America (NACA) provided that the loan meets all other HABC loan requirements – HABC approval is required for such exceptions to be granted)
- Second mortgage financing or Equity Lines of Credit
- Refinancing with Cash Out Option
- Closing cost assistance cannot be financed in the loan, paid in full or partial by HABC.

Participants in HABC's Homeownership Program will be required to invest a minimum of 1% percent of the purchase price of the property. The purchasing family must use its own resources other than grants, gifts, credit cards, loans, and/or other third-party financial contributions. This investment must be documented and verified before settlement. The purchasing family's out of pocket paid expenses such as: earnest money deposit, down payment, home inspections, appraisal, etc., may be credit towards the family meeting the minimum cash contribution.

The family must show proof of sufficient funds to initiate and complete the housing purchase.

23.11.1 Second Mortgage Assistance

MTW Policy

Subject to funding availability, HABC may offer non-cash, non-interest bearing second mortgages to eligible homebuyers up to 25% of the after-rehab appraised value of the property, which may be increased to up to 50% on a case-by-case basis or in extenuating circumstances.

HABC second mortgage assistance may be made only after eligible homebuyers have obtained a first mortgage commitment for at least 75% of the sales price.

HABC requires that second mortgages be paid back in full during or after the first mortgage has been paid in full, if the property or any part of the land thereof is refinanced, or if ownership is transferred or sold.

23.11.2 Down Payment or Closing Cost Assistance

MTW Policy

Subject to funding availability, HABC may offer a one-time down-payment or closing cost assistance up to $10,000 for eligible Public Housing first time homebuyers in HABC's Homebuyer Readiness Training Program. To qualify:

- Families will be required to attend homeownership counseling and provide counseling certificates from one of the HABC approved HUD certified Housing Counseling Agencies.
- The property purchased must be in Baltimore City/County and the property must pass a lead test and Housing Quality Standard (HQS) inspection.

HABC will establish criteria and guidelines to determine the amount awarded. HABC will not require the funds to be refunded unless the family is unable to obtain a mortgage to

purchase a home in Baltimore City/County that meets the program eligibility requirements, or the family fails to submit required program documentation.

The down payment/closing cost assistance paid directly to the title company. Funding is to be applied directly as down payment or applied to the closing cost. Funds provided are based on needs and where applicable, excess funds will be required to be returned to the HABC.

Excess funds will be required to be applied as a principal curtailment or returned to HABC.

Participants of the HCV Homeownership and Special Homeownership program are not eligible for the Down Payment or Closing Cost Assistance.

MTW Policy

HABC may match the buyer's personal contribution towards the purchase of a Scattered Site Property up to $5,000 to be applied at closing. Buyers may not use a credit card to make their personal contribution.

All closing costs will be based on need and only apply after required personal contribution, government and/or lender assistance have been applied.

Additionally, this grant is only available to residents who purchase their scattered site unit from HABC. Participants of the HCV Homeownership and Special Homeownership program are not eligible for the purchase of a Scattered Site Property.

23.12 HOMEOWNERSHIP PAYMENT ASSISTANCE

23.12.1 Continued Assistance

Homeownership assistance may only be paid while the family is residing in the home. The lender or mortgage servicer is not required to refund homeownership assistance for the month the family moves out.

The family must comply with the following obligations:

- The family must comply with the terms of the mortgage securing debt incurred to purchase the home, or any refinancing of such debt.
- The family may not convey or transfer ownership of the home, except for purposes of financing, refinancing, or pending settlement of the estate of a deceased family member. Use and occupancy of the home are subject to CFR 982.551 (h) and (i).
- The family must supply information to HABC, or HUD as specified in CFR 982.551(b). The family must further supply any information required by HABC or HUD and obtain HABC prior approval concerning mortgage financing or refinancing, sale or transfer of any interest in the home, or homeownership expenses.
- The family must notify HABC before moving out of the home.

- The family must notify HABC if the family defaults on the mortgage used to purchase the home.
- No family member may have any ownership interest in any other residential property.
- The family must attend and complete ongoing homeownership counseling.
- Before commencement of homeownership assistance, the family must execute a statement in which the family agrees to comply with all family obligations under the homeownership option.
- In order to continue receiving assistance under the homeownership option (excluding elderly/disabled families), the head of household or other adult member who will own the home must remain continuously employed.
- The family must notify HABC of any adverse employment changes immediately. If the participant is separated from his/her employment and refuses employment counseling and/or training, HABC in its discretion may terminate the homeownership assistance immediately.
- If the head of household or adult family member who owns the home is separated from his/her employment for a period of up to sixty (60) calendar days (excluding elderly or disabled families), the homeownership assistance to the family will continue upon HABC's recalculation of the Homeownership assistance based on current household income. This may result in HABC paying a higher subsidy to the family during the 60-day period. For families separated from employment, HABC will offer hardship assistance consistent with its hardship policies (see section in this chapter on Hardship).
- In order to continue receiving assistance under the homeownership option (excluding elderly/disabled families) the family must maintain the same level of employment and/or income as they did upon entering the program, or at the time of qualification for the mortgage loan (whichever is greater) as well as following any period of re-employment.

23.12.2 Term of Homeownership Assistance

Except in the case of elderly or disabled families, the term of homeownership assistance for families that remain income eligible is:

- 15 years, if the initial mortgage term is 20 years or longer, or
- 10 years in all other cases.

The elderly exception only applies if the family qualified as elderly at the start of homeownership assistance. The disabled exception applies if, at any time during receipt of homeownership assistance, the family qualifies as disabled.

If the family ceases to qualify as elderly or disabled during the course of homeownership assistance, the term becomes applicable from the date assistance commenced.

If the family receives homeownership assistance for different homes, or from another PHA, the total is subject to the term limitations.

MTW Policy

If an elderly or disabled family chooses to move, with continued homeownership assistance, for any reason outside of their disability needs, HABC will apply a term limit for assistance. The term of assistance will be equal to the term of their new mortgage.

23.12.3 Decelerated Assistance for Homeownership Program Participants

To ease the transition from subsidized homeownership assistance, HABC will offer eligible participants a 15-year original participation term and an additional 5 years of decelerated assistance; total participation term not to exceed 20 years. HABC will develop a schedule of decelerated assistance. The decelerated assistance schedule is as follows:

- Participant pays 30% of their adjusted monthly household income, plus:
    - Year 1: 50% of the balance of the mortgage payment;
    - Year 2: 60% of the balance of the mortgage payment;
    - Year 3: 70% of the balance of the mortgage payment;
    - Year 4: 80% of the balance of the mortgage payment;
    - Year 5: 90% of the balance of the mortgage payment.
- By the end of Year 5, participants will be paying the full mortgage payment as a homeowner no longer eligible for additional continued assistance.

Families enrolled in the Deceleration Assistance Program are not eligible for HABC's continued assistance beyond the 5 years, this includes the opportunity to reenter the HCV rental assistance program. However, families are eligible for HABC's Hardship Programs: 60-day hardship and the no-fault hardship programs.

Decelerated assistance is available to participants with HCV Homeownership Vouchers as well as participants with Special Homeownership Vouchers.

23.13 RECAPTURE PROVISIONS AND DEED RESTRICTIONS

MTW Policy

For properties owned and sold by HABC, HABC requires recapture of portions of the appreciation during the first 10 years after sale as follows:

1. First 5 years – 50% of appreciation

2. Years 6-10 – 25% of appreciation

3. Year 11 and beyond – no recapture of appreciation

23.14 PURCHASE AND RESALE ENTITIES

MTW Policy

HABC allows for disposition of vacant scattered sites to PREs, subject to HUD disposition approval, in accordance with 24 CFR 906. PREs are community partners with the legal and administrative capacity to carry out homeownership and resale activities.

HABC enters into a written agreement with each designated PRE including the following requirements:

1. Resales must be to residents of conventional public housing;

2. HABC will market the program and refer eligible residents to the PRE, in accordance with mutually agreed upon selection criteria including, but not limited to, residents must be in good standing with HABC and have the financial capacity needed to support homeownership costs; and,

3. Eligible residents will pay a non-refundable property reservation fee of up to $1,000 to the PRE, which shall be applied towards buyer's out-of-pocket expenses associated with the purchase.

23.15 OWNERSHIP INTEREST IN PROPERTY TO BE PURCHASED

To receive continued Homeownership assistance, anyone who has an ownership interest in the property being purchased must also be listed on the Housing Choice Voucher. The income of all parties who have said ownership interest, will be included in determining continued participation and assistance in the HCVHP.

During the time a family receives homeownership assistance under the HCVHP, no family member that has an ownership interest in the property being purchased may have an ownership interest in any other residential property, regardless of whether such property is improved with a residence, is improved with a residence subject to a ground rent, or is unimproved land zoned for residential purposes.

23.16 BANKRUPTCY AND MORTGAGE AFFIRMATION

HABC will only provide homeownership assistance to families of which one or more persons in the family, including but not limited to the head of household, are legally obligated to pay a mortgage secured by a lien on the property and have an ownership interest in the property.

In the event the head of household files bankruptcy and does not reaffirm the mortgage, HABC will immediately stop homeownership assistance and terminate the family from the HCVHP.

In the even the head of household declines to reaffirm the mortgage but was not delinquent on the mortgage or facing foreclosure, the family may request to renter the HCV Program with continued tenant-based assistance.

23.17 FAILURE TO PROVIDE REQUIRED DOCUMENTATION

Any participant who is initially approved for homeownership assistance and fails to provide HABC with requested homeownership documents within 60 calendar days of the home purchase will be terminated from the HCVHP and consequently ineligible for continued homeownership or rental assistance.

23.18 HOMEOWNERSHIP ASSISTANCE PAYMENTS AND HOMEOWNERSHIP EXPENSES

The monthly homeownership assistance payment is the lower of the voucher payment standard minus the total tenant payment, or the monthly homeownership expenses minus the total tenant payment. In determining the amount of the homeownership assistance payment, HABC will use the same payment standard schedule, payment standard amounts, and subsidy standards as those described in this plan for

the Housing Choice Voucher program. HABC will pay the homeownership assistance payment to the family or to the lender at the discretion of HABC.

Some homeownership expenses are allowances or standards determined by HABC in accordance with HUD regulations. These allowances are used in determining expenses for all homeownership families and are not based on the condition of the home. Homeownership expenses include:

- Principal and interest on mortgage debt.
- Mortgage insurance premium.
- Taxes and insurance.
- Ground rent, Homeowners Association Dues or Cooperative Charges.
- HABC utility allowance used for the voucher program.
- Principal and interest on debt for improvements
- HABC allowance for routine maintenance costs

23.19 MAINTENANCE AND ESCROW ACCOUNTS

To further assist participants in successfully maintaining their home as well as in planning for any unanticipated property maintenance and upkeep, each participant shall participate in a "Maintenance Expense Escrow" and "Major Repair/Replacement Escrow" Program. The Maintenance Expense Escrow will be used to purchase a home warranty on the property to cover minor repairs for the first five (5) years. The cost of the policy is escrowed in one-twelfth monthly increments annually. The Major Repair/Replacement Escrow is for large-scale repairs not covered under a home warranty.

In the event HABC maintains escrow accounts, each homeowner will be required to execute an ACKNOWLEDGMENT OF WARRANTY AND MAINTENANCE ESCROW ACCOUNTS, which authorizes HABC to escrow from the homeowner's subsidy payments a certain dollar amount per month into a banking account for the homeowner's annual Warranty policy and for a Major Repair/Replacement fund. The escrow accounts will be maintained and monitored by HABC.

23.20 HOMEOWNER'S WARRANTY ESCROW ACCOUNT

Upon the participant's submission to HABC of an invoice from the home warranty company, HABC will disburse a check from the Maintenance Expense Escrow to the participant to pay the bill.

23.21 MAJOR REPAIR/REPLACEMENT ESCROW ACCOUNT

For the Major Repair/Replacement Escrow, HABC will send the homeowner quarterly notices of his/her account balance as of the end of that quarter. The homeowner will be required to contact HABC in writing when disbursement of escrow funds is necessary for major maintenance of the home. The homeowner will obtain at least three (3) written estimates from licensed contractors for the repair in question, and the homeowner will select one of the three contractors to repair the defect. The request for funds must include a copy of an invoice or contract provided the homeowner by the licensed contractor selected by the participant to perform the repairs, describing the work to be performed and the cost and signed by the homeowner and the contractor. HABC, upon approval of the invoice or contract, will disburse a check in the amount requested, up to the balance of the funds in the homeowner's account, to the homeowner, or in HABC's discretion, payable to the participant and the contractor. The homeowner will be responsible

for paying the contractor any difference between the cost of the repairs and the homeowner's escrow account balance. The homeowner must submit to HABC an original receipt indicating the contractor was paid in full within ten (10) business days of completion of the job.

HABC will make a copy of the receipt and return the original to the homeowner.

23.22 HOUSING ASSISTANCE OVERPAYMENTS

HUD Regulations: 24 C.F.R. §982.633(b). Family Obligations. (4)(ii)(C) Supplying required information. In addition to other required information, the family must supply any information as required by HABC or HUD concerning the family homeownership expenses.

Upon an annual analysis of the homeowner's escrow account, the homeowner may receive a refund of a portion of the taxes and/or insurance paid, and the homeowner may be required to pay a lower monthly mortgage payment after the escrow analysis based upon a lower amount collected as part of the mortgage payment to pay taxes and/or insurance. The homeowner is required to report any, and all refund checks received from the lender because the refund indicates that HABC has been providing monthly assistance payments based on a higher mortgage amount, which resulted in an overpayment of subsidies to the homeowner or lender.

23.23 MONEY OWED TO HABC DUE TO AN OVERPAYMENT

The homeowner is required to report changes in mortgage payments and any mortgage-related refunds within five (5) business days to HABC's:

- Homeownership Office, at (410) 396-4175. Mailing address: Housing Authority of Baltimore City, HABC Homeownership Programs, 417 E. Fayette Street – Pleasant View Gardens, Baltimore, MD 21202; and
- The appropriate HCVHP Case Manager, located at the Housing Authority of Baltimore City, Housing Choice Voucher Program Office, 1225 W. Pratt Street, Baltimore, MD 21223.

If the homeowner fails to report any refund, upon HABC's discovery of the refund, HABC will calculate the amount owed to HABC. The mount owed will be based upon the percentage of the mortgage paid by HABC. HABC at its discretion, may immediately reduce the amount of each subsequent monthly housing assistance payment to the homeowner or lender by the amount it overpaid the subsidy every month, until it has recouped the overpayment. HABC may allow the participant to enter into a payment agreement not to exceed six (6) months. At HABC's discretion a payment agreement may be granted no more than two times during the Homeownership Program participation term. If HABC reduces the amount of the monthly HCVHP assistance, the homeowner will be solely responsible to pay the lender the current mortgage payment based on the reduced subsidy until HABC has recouped all overpayments.

23.24 REFUNDS TO THE PARTICIPANT DUE TO AN OVERPAYMENT

As stated above, the homeowner is required to report changes in mortgage payments, increases or decreases, and any mortgage-related refund from the lender based on an escrow analysis within five (5) business days, as directed above. If the homeowner reports such information within that time period, and has received a refund, HABC will review the homeowner's mortgage account and determine how much of the refund is due HABC because of an overpayment of the subsidy, which was calculated on a higher mortgage amount. The portion of the refund due HABC will be based on the percentage of the mortgage paid by HABC during the period on which the refund is based. Any remaining portion of the refund will

belong to the homeowner. The homeowner has five (5) business days from the date of HABC's written notice to the homeowner, to reimburse the overpayment. Failure by the homeowner to reimburse the overpayments will result in immediate suspension of all subsidy payments to the homeowner or lender thirty (30) calendar days after HABC's written notice to the homeowner and will remain suspended until the payments are made. Pending payment to HABC and the resumption of the subsidy payments, the homeowner must pay the lender any difference between the mortgage and the suspended subsidy payments.

Adjustments to a homeowner's escrow account by a lender that result in higher monthly mortgage payments should also be reported to HABC as above, and appropriate adjustments will be made in the amount of the homeowner's monthly housing assistance payments. To obtain an adjustment the homeowner must make a written request explaining the cause or justification of the increase and supply supporting documentation that justifies their claim. A consideration will be denied if the cause of the mortgage increase was not due to an increase in real property taxes or homeowner's insurance.

23.25 DELINQUENCY IN MAKING MONTHLY MORTGAGE PAYMENTS

HUD Regulations: 24 C.F.R. §982.633(b). Family Obligations; Compliance with Mortgage. The family must comply with the terms of any mortgage which secures the debt incurred to purchase the home (or any refinancing of such debt).

Failure to make monthly mortgage payments in accordance with the borrower's loan documents, resulting in the mortgage becoming delinquent (defined as 30 to 60 days past due with no payments being made), is a breach of the participant's mortgage loan and the HCVHP family obligations and is cause for suspension or termination by HABC of homeownership assistance payments. When HABC becomes aware that the loan has become delinquent, HABC will immediately suspend homeownership assistance to the family.

23.26 SUSPENSION OF PAYMENTS

The participant's housing assistance payments will be suspended until the participant demonstrates that the mortgage has been brought current or signed a modification or repayment agreement with the mortgage servicer. It is the participant's responsibility to notify HABC that his/her mortgage has been brought current or that the mortgage servicer has entered into a mortification agreement with the homeowner to bring the mortgage current over a specified period of time. Once HABC has received the proper documentation, HABC will remove the suspension (additional program agreements may be initiated/required).

If the family has met all obligations under the HCVHP, but desires to sell the home and return to HABC's rental Housing Choice Voucher Program, the family may be eligible to receive a tenant-based voucher; however, the family must sell the home before HABC may provide rental assistance.

23.27 MORTGAGE DEFAULT

HUD Regulations: 24 C.F.R. §982.552; 24 C.F.R. §982.638 Denial or Termination of Assistance. HABC must terminate voucher homeownership assistance for any member of a family receiving homeownership assistance that is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage (whether FHA-insured or non-FHA) which secured the debt to purchase the home, or any refinancing of such debt. However, at HABC's discretion, the family may be permitted to move to a housing unit with continued voucher rental assistance. In determining whether to provide a family with rental assistance after a mortgage default, HABC will consider the following factors:

- If family defaulted on an FHA-insured mortgage.
- The reason for the mortgage default.
- The effect of denial of rental assistance on other family members who were not responsible for the mortgage default.
- The disability of a household member.

23.28 TENANT-BASED VOUCHER ASSISTANCE IN THE EVENT OF A DEFAULT

If there is a default on a mortgage (whether FHA-insured or non-FHA) that has not yet resulted in a judgment of foreclosure and dispossession from the home, HABC at its discretion may issue the family a rental voucher for a new unit only if:

- Participant is otherwise in good standing (See Section 21.4, GOOD STANDING REQUIREMENTS)
- Participant notifies HABC in writing of his/her intent to sell or convey the property through:
- Sale of the Property
- Short sale of the Property; or
- A deed in lieu of foreclosure; and
- The family vacates the home upon the sale, short sale, or a deed in lieu of foreclosure HABC will not permit a move to a new unit with continued voucher rental assistance if the family defaulted on a FHA-insured mortgage and has failed to demonstrate that (i) it has conveyed, or will convey, title to the home as required by HUD to HUD or HUD's designee; and the family has moved, or will move, from the home within the period established or approved by HUD.

Upon the sale, short sale, or a deed in lieu of foreclosure, the participant must provide HABC with a copy of the final HUD-1 Settlement Statement, or the proper documentation establishing the mortgage holder's acceptance of the short sale or a deed in lieu of foreclosure. When HABC receives the documents, it will schedule an appointment between the HCVP office and the family to determine whether the participant is eligible based on the HCV eligibility requirements to receive rental assistance in a new unit.

The cost of any interim housing upon sale or vacation of the property and prior to approval of rental housing assistance will be the responsibility of the family.

23.29 DEATH OF FAMILY MEMBER

HUD Regulations: 24 C.F.R. §982.633. Continued Assistance Requirements. Upon the death of a family member who holds, in whole or in part, title to the home, homeownership assistance may continue pending settlement of the decedent's estate, notwithstanding transfer of title by operation of law to the decedent's executor or legal representative, so long as the home is solely occupied by remaining family members.

23.30 HARDSHIP EXEMPTION POLICY

Participant families are expected to maintain full-time employment and the same level of income as was used to qualify for the Homeownership Program or mortgage loan; whichever is greater. However, when the family suffers a loss of employment and/or income, HABC's hardship exemption policy increases homeownership assistance to the family for a defined period, to be determined by HABC.

Hardship – No Fault Loss of Employment

No fault loss of employment is defined as a loss of employment due to one of the following:

- Economic recession
- Verified medically documented Injury to the participant which prevents or restricts employment
- Verified health related issues
- Layoff due to employer financial constraints
- Global pandemic
- Local pandemic
- Other reason as verified and approved by HABC.

If the head of household or adult family member who owns the home suffers a no-fault job loss, homeownership assistance will continue upon HABC's recalculation of the Homeownership assistance based on current household income. Hardship assistance may continue for a period of up to six months, with hardship extensions granted upon HABC review, verification, and approval.

23.30.1 Extended Hardship - No Fault Loss of Employment

The participant may be eligible for the Extended Hardship, for a period not to exceed two (2) years. To be considered for the Extended Hardship, the participant will be required to show proof of job search, interviews, and receipt of unemployment insurance benefits and/or other benefits at the initial grant of the Extended Hardship and at six (6)-month intervals, or upon HABC request.

Upon expiration of the hardship exemption and any approved extensions, HABC will calculate the subsidy based on the greater of the gross wages at the time of enrollment in the Homeownership Program or the income used to obtain the mortgage financing; whichever was greater. Where an individual loses employment and is now disabled, the subsidy calculation will be based on the amount authorized by the Social Security Administration.

23.30.2 Extension – Scarcity of Employment Opportunity

When a participant claims the necessity to change careers because of scarce opportunities in his/her current trade and is returning to school or enrolled in an employment training program to prepare for a new career, HABC may grant increased homeownership assistance under the Extended Hardship policy for a period not to exceed three (3) years.

To be considered for the Extended Hardship based upon a necessity of changing careers, the participant will be required to provide proof of enrollment and anticipated completion date of higher education or employment training program at the initial grant of the Extended Hardship, and at six (6)-month intervals thereafter (the participant will be required to stay enrolled, in order to receive increased homeownership assistance payments; upon receiving a degree or certification the payments will end).

The Scarcity of Employment Extension may be granted only once during participation in the Homeownership Program.

23.30.3 Sixty (60) Day Hardship Policy – Other Loss of Employment

If the head of household or adult family member who owns the home is separated from their employment for reasons outside of the no-fault loss of employment, the family may request a hardship.

HABC will recalculate Homeownership assistance based on current household income. This may result in HABC paying a higher subsidy to the family during the 60-day hardship period. No extensions will be granted, and hardship may be requested only once in a 24-month period. Multiple hardship requests within a 24-month period may be evaluated by the Senior Vice President, or designee.

Upon expiration of the hardship, HABC will calculate the subsidy based on the greater of the gross wages at the time of enrollment in the Homeownership program or the income used to obtain the mortgage financing. Where an individual loses employment and is now disabled, the subsidy calculation will be based on the amount authorized by the Social Security Administration.

23.31 SUSPENSION OR TERMINATION OF ASSISTANCE

HUD Regulations: 24 C.F.R. §§982.551, 552, 553, 633, 638 Homeownership option: Denial or termination of assistance for family. Termination of homeownership assistance is governed by the policies for the Housing Choice Voucher program contained in Chapter 15 of the Administrative Plan. However, the provisions of CFR 982.551 (c) through (j) are not applicable to homeownership.

In addition to violations of the Family Obligations outlined in Chapter 15, the following violations may also result in suspension or termination of the HCVHP assistance:

- Failure to notify the HABC of receipt of tax and/or insurance refunds and resulting changes in monthly mortgage amount, as set forth in the section above entitled “Housing Assistance Overpayments”;
- Failure to complete post-purchase counseling; and
- Failure to recertify or attend the HABC scheduled meetings or training.

With the exception of the first bulleted item above, which results in immediate suspension of HCVHP assistance, if the participating family fails in its Family Obligations as outlined in Chapter 15 or fails to complete post-purchase counseling and/or recertify or attend the HABC scheduled meetings or training, after the HABC’s second attempt to resolve the non-compliance, the housing assistance payments will be suspended until the participant is in compliance. If the participant complies within 90 days after suspension, payment of the suspended payments will be considered upon request and HABC’s acceptance of the justification for the failure to comply.

After 90 days from suspension and continued non-compliance, homeownership assistance will be terminated. In any case where HABC decides to terminate assistance to the family, HABC will give the family prior written notice that states:

- The reason(s) for the termination decision;
- The effective date of the termination;
- The family’s right, if it disagrees, to request an informal hearing with the HABC before the termination date; and
- The date by which a request for an informal hearing must be received by the HABC.

If suspension or termination is based upon actions or inactions by the homeowner(s) resulting from a disability, the HABC will delay the suspension or termination in order to determine if there is an accommodation that would negate the behavior resulting from the disability.

23.32 REINSTATEMENT

MTW Policy

Where a homeownership family was terminated 180 calendar days after the last housing assistance payment, HABC will consider reinstatement for non-disabled households within the first year of termination and disabled households within two years of termination.

To be eligible for reinstatement, the family must be current on their mortgage, have not refinanced their mortgage with unfavorable terms or refinanced with a Home Equity Line of Credit (HELOC), withdrawn equity from the home beyond necessary to cover the expense of needed non-cosmetic repairs, or be facing foreclosure. Additionally, the family must meet all eligibility requirements for the Housing Choice Voucher and Homeownership programs.

Reinstatement may also be considered for a disabled household, (who was terminated due to the 180-day Homeownership Assistance Payment rule) and who was previously employed and experienced a significant decline in income due to their disability causing their inability to work.

23.33 PORTABILITY

Subject to the restrictions on portability included in HUD regulations and in Chapter 13 of this plan, a family determined eligible for homeownership assistance by the initial public housing agency ("PHA") may purchase a unit outside of the initial PHA's jurisdiction, if the receiving PHA is administering a housing choice voucher homeownership program and accepting new homeownership families.

The receiving PHA must absorb the family into its voucher program. The receiving PHA arranges for housing counseling and the receiving PHA homeownership policies apply.

23.34 MOVING WITH CONTINUED ASSISTANCE

HUD Regulations: 24 C.F.R. §982.637. A family receiving homeownership assistance may move with continued tenant-based assistance. The family may move with voucher rental assistance or with voucher homeownership assistance. Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home. A family utilizing the homeownership option must reside in the unit for a period of five (5) years before approval to move to another unit is granted in writing from HABC. In the event an elderly/disabled family requests approval to move, a decision will be granted on a case-by-case basis.

23.35 FUNDING RESTRICTIONS ON MOVES WITH CONTINUED ASSISTANCE

HABC will not pay more than what any participant receives in assistance prior to the request to move with continued homeownership assistance.

23.36 CONTRIBUTION TOWARDS PURCHASE OF A NEW HOME

HABC may require participants to use a percentage of net proceeds towards the purchase of a second home. The percentage will equal the percentage HABC contributes towards the participant's mortgage payments at the time of the request to move with continued homeownership assistance.

23.37 RE-ENTERING THE HOMEOWNERSHIP PROGRAM AFTER SALE OF HOME

Homeownership participants who sell their home and continue to receive regular tenant-based assistance with the Housing Choice Voucher will be required to remain in the HCV Rental Program for three (3) years before reapplying for the Homeownership Program. At HABC's discretion, considering the circumstances, this 3-year term may be decreased.

Reentering the Homeownership Program will not extend the original subsidized term. The participant's maximum subsidy upon reentering the Homeownership Program will be capped at the last subsidy amount received as a previous Homeownership Program participant.

23.38 SELECTION OF FAMILIES FOR PARTICIPATION IN THE HOMEOWNERSHIP PROGRAM

Except for Flag Priority Buyers and AHI Priority Buyers, applicants for homeownership may only be selected from the HABC/HCVP Homeownership Program Waiting List.

HABC will operate a separate homeownership waiting list and all tenant-based applicants who are income eligible will automatically be placed on the list without penalty to any other pending application for assistance.

23.39 MTW SPECIAL HOMEOWNERSHIP VOUCHERS

As part of the MTW Homeownership Program, HABC also utilizes MTW flexibility to create and fund a limited number of Special Homeownership Vouchers (SHV) for use by eligible low-income households who purchase a scattered site unit, a property from HABC, purchase a property from an authorized Purchase and Resale Entities, or a home in the Baltimore City housing market.

The program will adhere to all of HUD's and HABC's regulations and policies of the HCV Program and MTW Homeownership Program except where noted below.

23.39.1 Waiting List

MTW Policy

A waiting list will be established for families on HABC Public Housing and HCV waiting lists.

The waiting list will be organized according to the following preference tiers:

1. Public Housing Residents (includes scattered-sites residents purchasing their current residence from HABC, conventional Public Housing residents, scattered-site residents, RAD residents, and property managed sites); followed by
2. Public Housing waiting list applicants; followed by
3. Housing Choice Voucher waiting list applicants.

23.39.2 Eligibility

MTW Policy

Eligibility for SHV's is limited to low-income households participating in and meeting the income and other criteria of HABC's MTW Homeownership Program who purchase a scattered site unit from HABC or its authorized Purchase and Resale Entities.

Households receiving an SHV are not eligible for a second mortgage through the MTW Homeownership Program.

Eligibility for non-disabled, elderly households and households where the only source of income is from a pension will include annual incomes equal to or greater than the Federal SSI benefit for an individual living alone (or paying his or her share of food and housing costs) multiplied by twelve.

HABC will consider providing Special Homeownership Vouchers to eligible, existing Public Housing families and Public Housing and Housing Choice Voucher program families on the waiting list who purchase homes on the general market. This change will effectively allow Public Housing families with the opportunity to choose and purchase an eligible home under the Homeownership program which is outside of HABC's scattered site inventory.

23.39.3 Eligible Units

MTW Policy

SHVs may be used in conjunction with the purchase of an HABC scattered site unit offered through HABC's MTW Homeownership Program.

SHVs may also be used for units developed in partnership with a developer and HABC that require a certain number of set-aside units for families in HABC's Homeownership program as well as properties purchased in Baltimore City's housing market.

Properties purchased from authorized Purchase and Resale Entities are also allowed.

23.39.4 Portability and Moves

MTW Policy

SHVs are not portable and cannot be used to move to another homeownership or rental unit. The SHV assistance will end if the originally purchased scattered site unit or property purchased in Baltimore City's housing market, or any related parcel of land is sold, refinanced, or if changes are made to the deed that includes a third party not listed as a family member on the voucher.

Subject to continued eligibility, SHV participants or former Public Housing head's of household whose homeownership assistance has terminated may be eligible to transfer to an available public housing unit.

23.39.5 Utility Allowances

MTW Policy

SHV participants are eligible for utility allowances; however, they are not eligible for utility allowances payments (UAPs).

23.39.6 Housing Assistance Payments

MTW Policy

SHV participants are required to pay at least 30% of adjusted household income as family share (total tenant payment) towards monthly mortgage payments.

SHV assistance is applied to the first mortgage payment balance after factoring in the family share. To promote affordability of first time buying among very low-income households, HABC may pay the higher of the applicable HCV voucher payment standard or total monthly homeownership expenses, less the family share.

23.39.7 Rent/Mortgage Burden

MTW Policy

HABC will establish a rent burden of 40% for households that are at or over 50% of Area Median Income and 35% for families under 50% of the Area Median Income. The rent burden is necessary to meet the established 30% household contribution and the granting of utility allowances.

23.39.8 Term of Homeownership Assistance

MTW Policy

If an elderly or disabled family chooses to move, with continued homeownership assistance, for any reason outside of applicable disability needs, HABC will apply a term limit for assistance. The term of assistance will be equal to the term of their new mortgage.

23.39.9 Payment Shock Requirements – HCV Homeownership Program Only

MTW Policy

HABC will institute additional mortgage requirements. A family's initial portion of mortgage payment may not be more than 1.5 times their current TTP. This requirement applies to all homeownership families with the exception of families where the head of household graduated from college or received a certification from a certified trade school within the past 12 months. In cases of recent graduates, the tenant's portion cannot exceed 40% of their adjusted monthly income.

23.39.10 Reinstatement – HCV Homeownership Program Only

MTW Policy

Where a homeownership family was terminated 180 calendar days after the last housing assistance payment, HABC will consider reinstatement for non-disabled households within the first year of termination and disabled households within two years of termination.

To be eligible for reinstatement, the family must be current on their mortgage, have not refinanced their mortgage with unfavorable terms or refinanced with a Home Equity Line of Credit (HELOC), withdrawn equity from the home beyond necessary to cover the expense of needed non-cosmetic repairs, or be facing foreclosure.

Additionally, the family must meet all eligibility requirements for the Housing Choice Voucher and Homeownership programs. Reinstatement may also be considered for a disabled household, (whose program participation was ended due to the 180 Homeownership Assistance Payment rule) and who was previously employed and experienced a significant decline in income due to their disability caused inability to work.

23.39.11 SHV Hardship Policy

MTW Policy

SHV Program participants are not eligible for continued assistance and are eligible for the Deceleration Assistance Program and only the 60 day and no fault of employment hardship programs.

CHAPTER 24: GLOSSARY

24.1 ACRONYMS USED IN SUBSIDIZED HOUSING

- AAF: Annual Adjustment Factor. A factor published by HUD in the Federal Register which is used to compute annual rent adjustment.
- ACC: Annual Contributions Contract
- BR: Bedroom
- CDBG: Community Development Block Grant
- CFR: Code of Federal Regulations. Commonly referred to as "the regulations". The CFR is the compilation of Federal rules which are first published in the Federal Register and define and implement a statute.
- CoP: Contract of Participation for participant in the Financial Self Sufficiency (FSS) program.
- CPI: Consumer Price Index. CPI is published monthly by the Department of Labor as an inflation indicator.
- ELI: Extremely low income
- FDIC: Federal Deposit Insurance Corporation
- FHA: Federal Housing Administration
- FICA: Federal Insurance Contributions Act - Social Security taxes
- FmHA: Farmers Home Administration
- FMR: Fair Market Rent
- FY: Fiscal Year
- FYE: Fiscal Year End
- GAO: Government Accounting Office
- GFC: Gross Family Contribution. Note: Has been replaced by the term Total Tenant Payment (TTP).
- GR: Gross Rent
- HAP: Housing Assistance Payment
- HAP Plan: Housing Assistance Plan
- HCDA: Housing and Community Development Act
- HQS: Housing Quality Standards
- HUD: The Department of Housing and Urban Development or its designee.
- HURRA: Housing and Urban/Rural Recovery Act of 1983; resulted in most of the 1984 HUD regulation changes to definition of income, allowances, rent calculations
- IG: Inspector General

- IGR: Independent Group Residence
- IPA: Independent Public Accountant
- IRA: Individual Retirement Account
- MSA: Metropolitan Statistical Area established by the U.S. Census Bureau
- PHA: Public Housing Agency
- PMSA: A Primary Metropolitan Statistical Area established by the U.S. Census Bureau
- PS: Payment Standard
- QC: Quality Control
- RFAT: Request for Approval of Tenancy
- RFP: Request for Proposals
- RRP: Rental Rehabilitation Program
- SRO: Single Room Occupancy
- SSMA: Standard Statistical Metropolitan Area. It has been replaced by MSA, Metropolitan Statistical Area.
- TR: Tenant Rent
- TTP: Total Tenant Payment
- UA: Utility Allowance
- URP: Utility Reimbursement Payment

24.2 GLOSSARY OF TERMS IN SUBSIDIZED HOUSING

1937 ACT. The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.)

ADMINISTRATIVE PLAN. The HUD required written policy of the PHA governing its administration of the Section 8 tenant-based programs. The Administrative Plan and any revisions must be approved by the PHA's board and a copy submitted to HUD as a supporting document to the PHA Plan.

ABSORPTION. In portability, 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.

ACC RESERVE ACCOUNT (FORMERLY "PROJECT RESERVE"). Account established by HUD from amounts by which the maximum payment to the PHA under the consolidated ACC (during a PHA fiscal year) exceeds the amount actually approved and paid. This account is used as the source of additional payments for the program.

ACTUAL AND IMMINENT THREAT. Refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: the duration of

the risk, the nature and severity of the potential harm, and the likelihood that the potential harm will occur, and the length of time before the potential harm would occur.

ADA. Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.)

ADJUSTED INCOME. Annual income, less allowable HUD deductions.

ADMINISTRATIVE FEE. Fee paid by HUD to the PHA for administration of the program.

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.

ADMISSION. The effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program. This is the point when the family becomes a participant in the program.

AFFILIATED INDIVIDUAL. (1) a spouse, parent, brother, sister, or child of an individual, or a person to whom that individual stands in the place of a parent or guardian (for example, the affiliated individual is a person in the care, custody, or control of that individual); or (2) any individual, tenant, or lawful occupant living in the household of that individual.

AGED-OUT FOSTER CARE YOUTH. Unaccompanied youth under 25 years of age, or families with children and youth who do not meet any of the other HUD categories of homelessness but are homeless under other federal statutes, have not had a lease and have moved 2 or more times in the past 60 days and are likely to remain unstable because of special needs or barriers.

ANNUAL BUDGET AUTHORITY. The maximum annual payment by HUD to a PHA for a funding increment.

ANNUAL CONTRIBUTIONS CONTRACT (ACC). A written contract between HUD and a PHA. Under the contract 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.

ANNUAL INCOME AFTER ALLOWANCES. The Annual Income (described above) less the HUD-approved allowances.

APPLICANT. (or applicant family). A family that has applied for admission to a program but is not yet a participant in the program.

"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. (See Net Family Assets.)

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.

BIFURCATE. To divide a lease as a matter of law, subject to the permissibility of such process under the requirements of the applicable HUD-covered program and State or local law, such that certain tenants or lawful occupants can be evicted or removed and the remaining tenants or lawful occupants can continue to reside in the unit under the same lease requirements or as may be revised depending upon the eligibility for continued occupancy of the remaining tenants and lawful occupants.

BUDGET AUTHORITY. An amount authorized and appropriated by the Congress for payment to PHAs under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

CERTIFICATE. A Certificate issued by the PHA under the Section 8 pre-merger certificate program, declaring a family to be eligible for participation in this program and stating the terms and conditions for such participation. Will no longer be issued after October 1, 1999.

CERTIFICATE PROGRAM. Pre-merger rental certificate program.

CHILD CARE EXPENSES. Amounts paid by the family for the care of minors under 13 years of age where such care is necessary to enable a family member to be employed or for a household member to further his/her education.

CO-HEAD. An individual in the household who is equally responsible for the lease with the Head of Household. (A family never has a Co-head and a Spouse and; a Co-head is never a Dependent).

COMMON SPACE. In shared housing: Space available for use by the assisted family and other occupants of the unit.

CONGREGATE HOUSING. Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing.

COOPERATIVE. A dwelling unit owned and or shared by a group of individuals who have individual sleeping quarters and share common facilities such as kitchen, living room and some bathrooms.

CONSOLIDATED ANN UAL CONTRIBUTIONS CONTRACT. (Consolidated ACC). See 24 CFR 982.151.

CONTIGUOUS MSA. In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA 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.

CONTRACT. (See Housing Assistance Payments Contract.)

COOPERATIVE. (term includes mutual housing). Housing owned by a nonprofit corporation

or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing. A special housing type: See 24 CFR 982.619.

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 benefit 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 requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.

DATING VIOLENCE means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim and where the existence of such a relationship shall be determined based on the following factors: the length of the relationship, type of relationship and frequency of interaction between the persons involved in the relationship.

DAY LABORER. An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future. Income of a day laborer is not considered non-recurring income and must be included in income.

DEPENDENT. A member of the family household (excluding foster children and foster adults) other than the family head or spouse, who is under 18 years of age or is a Disabled Person, or is a full-time student 18 years of age or over.

DISABILITY ASSISTANCE EXPENSE. Anticipated costs for care attendants and auxiliary apparatus for disabled family members which enable a family member (including the disabled family member) to work.

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. See Person with Disabilities.

DISPLACED PERSON/FAMILY. A person or family 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.

DOMESTIC VIOLENCE includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim under the domestic or family violence laws of the jurisdiction receiving grant funding, and in the case of victim services, includes the user or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled or solicited to gain or maintain power and control over a victim include verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person who is:

The current or former spouse or intimate partner of the victim, or person similarly situated to a spouse or intimate partner of the victim;

A person who is cohabitating or has cohabitated with the victim is a spouse or intimate partner;

A person with whom the victim shares a child in common;

A person who commits acts against a youth or adult victim who is protected from those acts under the domestic or family violence laws of the jurisdiction.

DOMICILE. The legal residence of the household head or spouse as determined in accordance with State and local law.

DRUG-RELATED CRIMINAL ACTIVITY. The illegal manufacture, sale, distribution, use, or the possession with intent to manufacture, sell distribute or use, of a controlled substance (as defined in Section 102 of the Controlled Substance 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)).

EARNED INCOME. Income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.

ECONOMIC ABUSE means behavior that is coercive, deceptive, or unreasonably controls or restrains a person's ability to acquire, use, or maintain economic resources to which they are entitled, including using coercion, fraud, and manipulation to:

Restrict a person's access to money, assets, credit, or financial information.

Unfairly use a person's personal economic resources, including money, assets, and credit, for one's own advantage;

Exert undue influence over a person's financial and economic behavior or decisions including forcing default on joint or other financial obligations, exploiting powers of attorney, guardianship, or conservatorship, or to whom one has a fiduciary duty.

ECONOMIC SELF-SUFFICIENCY PROGRAM. Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see 24 CFR 5.603 (c).

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 HOUSEHOLD. A family whose head or spouse or whose sole member is at least 62 years of age; may include two or more elderly persons living together or one or more such

persons living with another person who is determined to be essential to his/her care and wellbeing.

ELDERLY PERSON. A person who is at least 62 years old.

ELIGIBILITY INCOME. May 10, 1984, regulations deleted Eligibility Income, per se, because Annual Income is now for eligibility determination to compare to income limits.

ELIGIBLE FAMILY (Family)**.** A family is defined by the PHA in the administrative Plan, which is approved by HUD.

EXCEPTIONAL MEDICAL OR OTHER EXPENSES. Prior to the regulation change in 1982, this meant medical and/or unusual expenses as defined in Part 889 which exceeded 25% of the Annual Income. It is no longer used.

EXCEPTION RENT. In the pre-merger certificate program, an initial rent (contract rent plus any utility allowance) in excess of the published FMR. See FMR/Exception rent.

EXCESS MEDICAL EXPENSES. Any medical expenses incurred by elderly or disabled families only in excess of 3% of Annual Income which are not reimbursable from any other source.

EXTREMELY LOW-INCOME FAMILY. A family whose annual income does not exceed 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30% of medical income for an a if HUD finds such variations are necessary due to unusually high or low family incomes.

FAIR HOUSING ACT. Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.)

FAIR MARKET RENT (FMR). The rent including the cost of utilities (except telephone) that would be required to be paid in the housing market area to obtain privately owned existing decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Fair market rents for existing housing are established by HUD for housing units of varying sizes (number of bedrooms) and are published in the *Federal Register.*

FAMILY. "Family" includes but is not limited to:

- A single person, who may be:
    - An elderly person, displaced person, disabled person, near-elderly person, or any other single person;
    - An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older; orA family with or without children (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size);
- A group of persons residing together, and such group includes, but is not limited to:
    - A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
    - An elderly family;
    - A near-elderly family;
    - A displaced family; and
    - The remaining member of a tenant family.

("Family" can be further defined by the PHA).

FAMILY OF VETERAN OR SERVICE PERSON. A family is a "family of veteran or service person" when:

The veteran or service person (a) is either the head of household or is related to the head of the household; or (b) is deceased and was related to the head of the household, and was a family member at the time of death.

The veteran or service person, unless deceased, is living with the family or is only temporarily absent unless s/he was (a) formerly the head of the household and is permanently absent because of hospitalization, separation, or desertion, or is divorced; provided, the family contains one or more persons for whose support s/he is legally responsible and the spouse has not remarried; or (b) not the head of the household but is permanently hospitalized; provided, that s/he was a family member at the time of hospitalization and there remain in the family at least two related persons.

FAMILY RENT TO OWNER. In the voucher program, the portion of the rent to owner paid by the family.

FAMILY SELF-SUFFICIENCY PROGRAM (FSS PROGRAM). The program established by a PHA to promote self-sufficiency of assisted families, including the provision of supportive services.

FAMILY SHARE. The amount calculated by subtracting the housing assistance payment from the gross rent.

FAMILY UNIT SIZE. The appropriate number of bedrooms for a family, as determined by the PHA under the PHA's subsidy standards.

FMR/EXCEPTION RENT. The fair market rent published by HUD headquarters. In the pre-merger certificate program the initial contract rent for a dwelling unit plus any utility allowance could not exceed the FMR/exception rent limit (for the dwelling unit or for the family unit size). In the voucher program the PHA adopts a payment standard schedule that is within 90% to 110% of the FMR for each bedroom size.

FOSTER ADULT. A member of the household who is 18 years of age or older and meets the definition of a foster adult under state law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition, and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

FOSTER CHILD. A member of the household who meets the definition of a foster child under state law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

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 FAMILY CONTRIBUTION. Changed to Total Tenant Payment.

GROSS RENT. The sum of the Rent to Owner and the utility allowance. If there is no utility allowance, Rent to Owner 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. (See Housing Assistance Payments contract.)

HEAD OF HOUSEHOLD. The head of household is the person who assumes legal and financial responsibility for the household and is listed on the application as head.

HEALTH AND MEDICAL CARE EXPENSES. Any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.

HOUSING AGENCY. A state, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing. ("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. The monthly assistance payment by a PHA. The total assistance payment consists of:

A payment to the owner for rent to owner under the family's lease.

An additional payment to the family if the total assistance payment exceeds the rent to owner. The additional payment is called a "utility reimbursement" payment.

HOUSING ASSISTANCE PAYMENTS CONTRACT. (HAP contract). A written contract between a PHA and an owner in the form prescribed by HUD headquarters, in which the PHA agrees to make housing assistance payments to the owner on behalf of an eligible family.

HOUSING ASSISTANCE PLAN. (1) A Housing Assistance Plan submitted by a local government participating in the Community Development Block Program as part of the block grant application, in accordance with the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD. (2) A Housing Assistance Plan meeting the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD.

HOUSING QUALITY STANDARDS (HQS). The HUD minimum quality standards for housing assisted under the tenant-based programs.

HUD. The Department of Housing and Urban Development.

HUD REQUIREMENTS. HUD requirements for the Section 8 programs. HUD requirements are issued by HUD headquarters as regulations. Federal Register notices or other binding program directives.

HUMAN TRAFFICKING. The Trafficking Victims Protection Act of 2000 and its subsequent reauthorizations recognize and define two primary forms of human trafficking:

- Sex trafficking is the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age. (22 U.S.C. § 7102(11)(A)).
- Forced labor is the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery. (22 U.S.C. § 7102(11)(B)).

IMPUTED ASSET. Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

IMPUTED INCOME. HUD passbook rate x total cash value of assets. Calculation used when assets exceed $50,000.

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. Annual Income.

INDEPENDENT CONTRACTOR. An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self- Employment Tax. In general, an individual is an independent contractor if they have the right to control or direct only the conduct of the work. Gig workers, such as babysitters, landscapers, rideshare drivers and house cleaners generally fall into this category.

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 by exercise of the power of self-government of an Indian Tribe, independent of State law, or by operation of State law providing specifically for housing authorities for Indians.

INITIAL PHA. In portability, the term refers to both:

A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and

A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

INITIAL PAYMENT STANDARD. The payment standard at the beginning of the HAP contract term.

INITIAL RENT TO OWNER. The rent to owner at the beginning of the HAP contract term.

INTEREST REDUCTION SUBSIDIES. The monthly payments or discounts made by HUD to reduce the debt service payments and, hence, rents required on Section 236 and 221 (d)(3) BMIR projects. Includes monthly interest reduction payments made to mortgagees of Section 236 projects and front-end loan discounts paid on BMIR projects.

JURISDICTION. The area in which the PHA has authority under State and local law to administer the program.

LANDLORD. This term means 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.

LARGE VERY LOW INCOME FAMILY. Prior to the 1982 regulations, this meant a very low income family which included six or more minors. This term is no longer used.

LEASE. A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. 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. In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement establishes the conditions for occupancy of the member's family with housing assistance payments to the cooperative under a HAP contract between the cooperative and the PHA.

LEASE ADDENDUM. For pre-merger Certificate, pre-merger OFTO, and pre-merger Voucher tenancies, the lease language required by HUD in the lease between the tenant and the owner.

LIVE-IN AIDE. A person who resides with an elderly person or disabled person and who is determined to be essential to the care and well-being of the person, is not obligated for the support of the person, and 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 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 80% for areas with unusually high or low income families.

MANUFACTURED HOME. A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS. A special housing type. See 24 CFR 982.620 and 982.621.

MANUFACTURED HOME SPACE. In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See 24 CFR 982.622 to 982.624

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 Certificate holder.

For BMIR units, Market Rent varies by whether the project is a rental or cooperative.

MEDICAL EXPENSES. Those total 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. October 1, 1999.

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 with citizens and eligible immigration status and without citizens and eligible immigration status as defined in 24 CFR 5.504(b)(3).

MONTHLY ADJUSTED INCOME. 1/12 of the Annual Income after Allowances or Adjusted Income.

MONTHLY INCOME. 1/12 of the Annual Income.

MUTUAL HOUSING. Included in the definition of COOPERATIVE.

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.

NEGATIVE RENT. Now called Utility Reimbursement. A negative Tenant Rent results in a Utility Reimbursement Payment (URP).

NET FAMILY ASSETS. Value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition.

NET FAMILY CONTRIBUTION. Former name for Tenant Rent.

NON CITIZEN. A person who is neither a citizen nor a national of the United States.

OCCUPANCY STANDARDS. [Now referred to as Subsidy Standards] Standards established by a PHA to determine the appropriate number of bedrooms for families of different sizes and compositions.

OVER-FMR TENANCY (OFTO). In the pre-merger Certificate program: A tenancy for which the initial gross rent exceeds the FMR/exception rent limit.

OWNER. Any persons or entity having the legal right to lease or sublease a unit to a participant.

PARTICIPANT. A family that has been admitted to the PHA's 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.

PERSON WITH DISABILITIES. A person who has a disability as defined in 42 U.S.C 423 or a developmental disability as defined in 42 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 an "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).

PHA PLAN. The annual plan and the 5-year plan as adopted by the PHA and approved by HUD in accordance with part 903 of this chapter.

PORTABILITY. Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial PHA.

PREMISES. The building or complex in which the dwelling unit is located, including common areas and grounds.

PRIVATE SPACE. In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

PROCESSING ENTITY. Entity responsible for making eligibility determinations and for income reexaminations. In the Section 8 Program, the "processing entity" is the "responsible entity."

PROGRAM. The Section 8 tenant-based assistance program under 24 CFR Part 982.

PROGRAM RECEIPTS. HUD payments to the PHA under the consolidated ACC, and any other amounts received by the PHA in connection with the program.

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). PHA includes any State, county, municipality or other governmental entity or public body which is authorized to administer the program (or an agency or instrumentality of such an entity), or any of the following:

- A consortia of housing agencies, each of which meets the qualifications in paragraph (1) of this definition, that HUD determines has the capacity and capability to efficiently administer the program (in which case, HUD may enter into a consolidated ACC with any legal entity authorized to act as the legal representative of the consortia members):
- Any other public or private non-profit entity that was administering a Section 8 tenant- based assistance program pursuant to a contract with the contract administrator of such program (HUD or a PHA) on October 21, 1998; or
- For any area outside the jurisdiction of a PHA that is administering a tenant-based program, or where HUD determines that such PHA is not administering the program effectively, a private non-profit entity or a governmental entity or public body that would otherwise lack jurisdiction to administer the program in such area.

REASONABLE RENT. A rent to owner that is not more than rent charged for comparable units in the private unassisted market, and not more than the rent charged 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. There are annual and interim recertifications.

REGULAR TENANCY. In the pre-merger certificate program: A tenancy other than an over-FMR tenancy.

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. Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.

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 ("residency preference area").

RESIDENCY PREFERENCE AREA. The specified area where families must reside to qualify for a residency preference.

RESIDENT ASSISTANT. A person who lives in an Independent Group Residence and provides on a daily basis some or all of the necessary services to elderly, handicapped, and disabled individuals receiving Section 8 housing assistance and who is essential to these individuals' care or wellbeing. A Resident Assistant shall not be related by blood, marriage or operation of law to individuals receiving Section 8 assistance nor contribute to a portion of his/her income or resources towards the expenses of these individuals.

RESPONSIBLE ENTITY. For the public housing and Section 8 tenant-based assistance, project-based certificate assistance and moderate rehabilitation program, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

SEASONAL WORKER. An individual who is hired into a short-term position and the employment begins about the same time each year. Typically, the worker is hired to address seasonal demands that arise for the particular employer or industry.

SECRETARY. The Secretary of Housing and Urban Development.

SECTION 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

SECURITY DEPOSIT. A dollar amount which can be applied to unpaid rent, damages or other amounts to the owner under the lease.

SERVICE PERSON. A person in the active military or naval service (including the active reserve) of the United States.

SEXUAL ASSAULT means any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.

SHARED HOUSING. A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. A special housing type.

SINGLE PERSON. A person living alone or intending to live alone.

SPECIAL ADMISSION. Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.

SPECIAL HOUSING TYPES. See Subpart M of 24 CFR 982, which states the special regulatory requirements for SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

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 welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

SPOUSE. The husband or wife of the head of the household.

STALKING means engaging in a course of conduct directed at a specific person causing a reasonable person to fear for the person’s individual safety or the safety of others; or suffer substantial emotional distress.

SUBSIDIZED PROJECT. A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association) which receives the benefit of subsidy in the form of:

Below-market interest rates pursuant to Section 221(d)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act; or

Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965; or

Direct loans pursuant to Section 202 of the Housing Act of 1959; or

Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Development Act of 1974;

Payments under the Section 8 Housing Assistance Payments Program pursuant to Section 8 of the United States Housing Act after amendment by the Housing and Community Development Act unless the project is owned by a Public Housing Agency;

A Public Housing Project.

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 is defined by HUD for use as a federal preference.

SUSPENSION/TOLLING. Stopping the clock on the term of a family's voucher, for such period as determined by the PHA, from the time when the family submits a request for PHA approval to lease a unit, until the time when the PHA approves or denies the request. If the PHA decides to allow extensions or suspensions of the voucher term, the PHA administrative plan must describe how the PHA determines whether to grant extensions or suspensions, and how the PHA determines the length of any extension or suspension.

TECHNOLOGICAL ABUSE means an act or pattern of behavior that occurs within domestic violence, dating violence, sexual assault, stalking, or human trafficking and is intended to harm, threaten, intimidate, control, stalk, harass, impersonate, exploit, extort, or monitor another person, except as otherwise permitted by law, that occurs using any form of technology, including but not limited to:

- Internet enabled devices
- Online spaces and platforms
- Computers
- Mobile devices
- Cameras and imaging programs
- Apps
- Location tracking devices
- Communication technologies
- Any other emergent technologies

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. The amount payable monthly by the family as rent to the unit owner

(Section 8 owner or PHA in public housing). For a tenancy in the pre-merger certificate program, tenant rent equals the total tenant payment minus any utility allowance.

TOTAL TENANT PAYMENT (TTP). The total amount the HUD rent formula requires the tenant to pay toward gross rent and utility allowance.

UNIT. Residential space for the private use of a family.

UNEARNED INCOME. Any annual income, as calculated under 24 CFR 5.609, that is not earned income.

UNUSUAL EXPENSES. Prior to the change in the 1982 regulations, this was the term applied to the amounts paid by the family for the care of minors under 13 years of age or for the care of disabled or handicapped family household members, but only where such care was necessary to enable a family member to be gainfully employed.

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. In the voucher program, the portion of the housing assistance payment which exceeds the amount of the rent to owner.

UTILITY REIMBURSEMENT PAYMENT. In the pre-merger certificate program, the amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit.

VACANCY LOSS PAYMENTS. (For pre-merger certificate 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.

VAWA means the Violence Against Women Act of 1994, as amended (42 U.S.C. 13925 and U.S.C. 14043e et seq.).

VERIFIED UNACCOMPANIED HOMELESS YOUTH. Unaccompanied youth under 25 years of age, or families with children and youth who do not meet any of the other HUD categories of homelessness but are homeless under other federal statutes, have not had a lease and have moved 2 or more times in the past 60 days and are likely to remain unstable because of special needs or barriers.

VERY LARGE LOWER-INCOME FAMILY. Prior to the change in the 1982 regulations this was described as a lower-income family which included eight or more minors. This term is no longer used.

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 pre-merger certificate and voucher programs.

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 therefrom 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 (rental voucher). A document issued by a PHA to a family selected for admission to the voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states the obligations of the family under the program.

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 who are waiting for subsidy to become available.

WAITING LIST ADMISSION. An admission from the PHA waiting list.

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 RENT. This concept is used ONLY for pre-merger Certificate tenants who receive welfare assistance on an "AS-PAID" basis. It is not used for the Housing Voucher Program.

If the agency does NOT apply a ratable reduction, this is the maximum a public assistance agency COULD give a family for shelter and utilities, NOT the amount the family is receiving at the time the certification or recertification is being processed.

If the agency applies a ratable reduction, welfare rent is a percentage of the maximum the agency could allow.

WELFARE-TO-WORK (WTW) FAMILIES. Families assisted by a PHA with voucher funding awarded to the PHA under the HUD welfare-to-work voucher program (including any renewal of such WTW funding for the same purpose).

24.3 GLOSSARY OF TERMS USED IN THE NON-CITIZENS RULE

CHILD. A member of the family other than the family head or spouse who is under 18 years of age.

CITIZEN. A citizen or national of the United States.

EVIDENCE OF CITIZENSHIP OR ELIGIBLE STATUS. The documents which must be submitted to evidence citizenship or eligible immigration status.

HEAD OF HOUSEHOLD. The adult member of the family who is the head of the household for purpose of determining income eligibility and rent.

HUD. Department of Housing and Urban Development.
INS. The U.S. Immigration and Naturalization Service.

MIXED FAMILY. A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

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.

NON-CITIZEN. A person who is neither a citizen nor national of the United States. **PHA.** A housing authority who operates Public Housing.

RESPONSIBLE ENTITY. The person or entity responsible for administering the restrictions on providing assistance to non-citizens with ineligible immigration status (the PHA).

SECTION 214. 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 of the Housing and Community Development Act of 1980, as amended (42 U.S.C. 1436a).

SPOUSE. Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner in a common-law marriage. It does not cover boyfriends, girlfriends, significant others, or "co-heads." "Co-head" is a term recognized by some HUD programs, but not by public and Indian housing programs.

CRIMINAL ACTIVITY GUIDELINES AND ELIGIBILITY KEY

HOUSING AUTHORITY OF BALTIMORE CITY
Housing Choice Voucher Program

Procedure: Application Screening, Eligibility and Denial of Assistance for Criminal Activity

INTRODUCTION & SCOPE

All applicants for the Housing Choice Voucher (Section 8) Program (HCVP) must be subject to a screening process in accordance with Department of Housing and Urban Development (HUD) rules and regulations and the HABC Administrative Plan for the HCVP. The screening consists of a criminal background investigation of the family, including the head of household (HOH), spouse/co-head and all other family members 14 years of age and older. Except for applicants referred to the Housing First Voucher Program and the Ex-Offender Voucher Program, the HABC will deny admission to applicants in cases where evidence, in the form of misdemeanor or felony convictions, demonstrates that the HOH or any of the household members engage in drug-related criminal activity, violent criminal activity, or other criminal activity that interferes with the health, safety or right to peaceful enjoyment of other residents. For applicants referred to the Housing First Voucher Program, HABC will conduct criminal background screening for felony convictions which demonstrate that the HOH or any of the household members engaged in drug-related criminal activity, violent criminal activity, or other criminal activity that interferes with the health, safety or right to peaceful enjoyment of other residents.

For applicants referred to the Ex-Offender Voucher Program, HABC will conduct criminal background screening only in cases involving a conviction for which federal law requires a denial of admission.

Federal Mandatory Denial of Admission

All applicants, including those referred to the Housing First Voucher Program and the Ex-Offender Voucher Program, will be permanently denied admission if:

- Any household member has ever been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of federally assisted housing; or
- Any household member is subject to a lifetime registration requirement under Maryland's Sex Offender Registration Program found at Title 11, Subtitle 7 of the Criminal Procedure Article of the Maryland Annotated Code, as amended.

RELATED DOCUMENTS AND LEGAL AUTHORITY

42 U.S.C. §1437f; 42 U.S.C §13661; 24 C.F.R.§ 982.4, 982.54, 982.552, 982.553, 982.554; 24

C.F.R. § 5.100; HCVP Administrative Plan; Conviction & Denial Factor Key; Informal Review Request Form; Informal Review Form; Exclusion Agreement Form; Administrative Review

HOUSING AUTHORITY OF BALTIMORE CITY
Housing Choice Voucher Program

Procedure: Application Screening, Eligibility and Denial of Assistance for Criminal Activity

I. Definitions

Drug: a controlled dangerous substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Drug-related criminal activity: the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with the intent to manufacture, sell, distribute or use the drug.

Federally Assisted Housing: housing assisted under any of the following programs: public housing; project-based or tenant-based assistance under Section 8 of the US Housing Act of 1937; other housing programs as defined in 24 C.F.R. § 5.100.

Period of Ineligibility: The period of time during which a household member convicted of a crime will be ineligible for participation in the HCVP. The periods of ineligibility for each crime are set forth in the Conviction and Eligibility Key. The periods of ineligibility start from the date of conviction or the date of release from incarceration whichever is later.

Right to peaceful enjoyment: the right to exclusive use and possession of the unit without interference from the landlord or other person under the landlord's control.

Violent criminal activity: any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage**.**

Mandatory Denials

a) The HABC must permanently prohibit admission to the HCVP for applicants in the following categories:

1) Any household member who has ever been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of federally assisted housing;

2) Any household member who is subject to a lifetime registration requirement under Maryland's Sex Offender Registration Program found at Title 11, Subtitle 7 of the Criminal Procedure Article of the Maryland Annotated Code.

b) The HABC must prohibit admission to the HCVP for three years from the date of eviction if any household member has ever been evicted from federally assisted housing for drug-related criminal activity. The HABC will admit the household if the HABC determines:

1) The evicted household member who engaged in the drug-related criminal activity has successfully completed a supervised drug rehabilitation program; or

2) The circumstances leading to the eviction no longer exist (for example, the criminal household member has died, is imprisoned, or otherwise no longer a member of the household). In these circumstances the remaining household member may be required to comply with an Exclusion Agreement in order to gain admission to the HCVP. See paragraph III (1)(f) below.

Permissive Denials

a) The HABC will also deny admission if any household member is currently engaged in, or has engaged in during a reasonable time before the admission in any drug-related criminal activity, violent criminal activity, or 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.

b) In making its determination to deny assistance based on the above-referenced criminal activity, HABC will only consider criminal charges which resulted in convictions.

c) The HABC has created a Conviction and Denial Eligibility Key which lists offenses and periods of ineligibility during which applicants convicted of the offense will be ineligible to participate in the HCVP. The periods of ineligibility are not cumulative for multiple offenses; therefore the applicant is subject to the longest period of ineligibility applicable.

d) During the initial eligibility review, offenses that result in convictions will be subject to a period of ineligibility of 18 months for a misdemeanor offense and 3 years for a felony offense. The Conviction and Eligibility Denial Key provides guidance regarding the period of ineligibility.

e) If the Applicant is determined ineligible during the initial eligibility process due to a criminal conviction, the Applicant is not removed from the waiting list; however, the eligibility process will be suspended. In order to complete the eligibility process, the Applicant must request reconsideration of the Applicant's eligibility within four months after the expiration of the ineligibility period. If the Applicant fails to make the request within the four-month period, HABC will remove the Applicant from the waiting list.

f) Applicants are responsible for informing the HABC of any changes in their contact information and responding to all HABC correspondence during the period of ineligibility.

g) The HABC may as a condition of assistance require the applicant to exclude the criminal household member from the unit for the period of ineligibility. The applicant will be required to execute an Exclusion Agreement, which prohibits the offending household member from occupying the unit during the specified time period. Refusal to execute the Exclusion Agreement will result in application denial. Any violation of the Exclusion Agreement will result in termination of assistance. Once the period of ineligibility expires, the participant may submit a written request to add the offending household member to the unit.

Notice of Denial and Informal Review

a) The HABC will give applicants written notice of a decision denying assistance to the applicant which contains a brief statement of the reason for the denial, a description of the specific crime(s) under which the applicant is being denied and the period of ineligibility. This notice will also state that the applicant may request an Informal Review and describe how to schedule this review.

b) If the reason for the denial is alleged criminal activity, the HABC will provide the applicant with a copy of the criminal record used to deny eligibility.

c) Applicants will have 14 – calendar days from the date the denial notice is received to return the Informal Review Request Form. The denial is presumed to have been received 3 business days after the date of mailing.

d) The HABC may accept an Informal Review Request Form beyond the 14 calendar day period for good cause.

e) Once the Informal Review Request Form has been received, HABC will mail the applicant an Informal Review Notice detailing the Informal Review date, time, and location, the applicant's right to appear with legal representation, the right to bring witnesses and any other documentation to support their case, including evidence of mitigating circumstances. Applicants may request a postponement of the Informal Review one time without cause. Additional postponements may be requested for good cause only. As a reasonable accommodation to a person with a disability, the Informal Review may be conducted by telephone.

f) The Informal Review is presided over by the Informal Review Officer. The Officer must be a qualified employee, who is not involved in application screening, did not make or approve the initial decision to deny assistance, and is not a subordinate of the latter.

g) The HABC Representative and the Applicant may present witnesses, affidavits, documentary evidence, and oral argument. Each may also question any adverse witness and examine all documents presented at the Informal Review.

i) The Informal Review Officer shall maintain a record of the Informal Review which must contain all correspondence between HABC and the Applicant related to the denial, copies of all evidence presented at the Informal Review, a summary of all testimony presented, copies of any notes written by the Officer during or after the Informal Review, and a copy of the Officer's written decision. In determining whether to uphold or overturn the decision denying admission, the Informal Review Officer 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 the denial of assistance on other family members who were not involved. Additionally, the Informal Review Officer may consider evidence from a service provider certifying to the Applicant's receipt of services, the Applicant family's participation in social service or other appropriate counseling service programs as long as there is a nexus between the criminal offense and the services provided, and

such services would result in a reasonable probability of the Applicant's favorable future conduct. The Informal Review Officer may also consider whether the conviction resulted from a problem the Applicant experienced due to being homeless and that a home will resolve the problem.

k) In determining whether to uphold the decision denying admission for illegal use of drugs by a household member who is no longer engaged in such behavior, the Informal Review Officer may consider whether such household member is participating in or has successfully completed a supervised drug rehabilitation program, or has otherwise been rehabilitated successfully. In such case, the Informal Review Officer may require the applicant to submit evidence showing participation in or successful completion of, a supervised drug rehabilitation program.

l) The Informal Review Officer will issue a written decision, which will include a statement of the particular facts and program requirements on which the decision is actually based. The decision will be mailed to the applicant within 14 calendar days from the date of the Informal Review.

CONVICTION & ELIGIBILITY DENIAL KEY (FOR GUIDANCE PURPOSES ONLY)

Abuse and Other Offensive Conduct CJIS CODE	Misdemeanor or Felony	Maryland Annotated Code Citation	Period of Ineligibility
Child abuse	Felony	Criminal Law § 3-601 parent, other person with custody of minor, or household/family member may not cause physical injury to minor	3 years
Sexual abuse of a minor	Felony	Criminal Law § 3-602	3 Years or Sexual Offender Registry-Lifetime Bar
Sale of a minor	Felony	Criminal Law § 3-603 a person may not sell, barter, trade or offer to sell a minor for money, property, or anything of value	3 years
Abuse or neglect of vulnerable adult	Felony	Criminal Law § 3-604 caregiver, parent, household member, person with custody, may not cause abuse or neglect vulnerable adult that results in serious physical injury or involves sexual abuse	3 Years
Abuse or neglect of vulnerable adults	Misdemeanor	Criminal Law § 3-605 caregiver, parent, other person with custody, or household/family member may not cause abuse or neglect vulnerable adult	18 months
Arson – in the first degree	Felony	Criminal Law § 6-102 willfully setting fire to or burning a dwelling or structure w/person in it	3 Years
Arson – in the second degree	Felony	Criminal Law § 6-103 willfully setting fire to or burning a structure	3 Years
Malicious burning of personal property – in the first degree	Felony	Criminal Law § 6-104 willfully setting fire to or burning personal property of another worth $1,000 or more	3 Years
Malicious burning of personal property – in the second degree	Misdemeanor	Criminal Law § 6-105 willfully setting fire to or burning personal property of another worth less than $1,000	18 months
Burning with intent to defraud	Misdemeanor	Criminal Law § 6-106 willfully setting fire to or burning property with intent to defraud	18 months

Assault, Reckless Endangerment, and Related Crimes CJIS CODE	Misdemeanor or Felony	Maryland Annotated Code Citation	Period of Ineligibility
Assault – in the first degree	Felony	Criminal Law § 3-202 intentionally cause or attempt to cause serious physical injury to another	3 Years
Assault – in the second degree	Misdemeanor or Felony	Criminal Law § 3-203 a person may not commit an assault	18 months / 3 Years
Reckless Endangerment	Misdemeanor	Criminal Law § 3-204 reckless conduct that creates a substantial risk of death or bodily injury	18 months
Life-threatening injury by motor vehicle or vessel while under the influence of alcohol and related crimes	Misdemeanor	Criminal Law § 3-211 a person may not cause life-threatening injury by motor vehicle or vessel while under the influence of alcohol	18 months
Attempted poisoning	Felony	Criminal Law § 3- 213 attempt to poison a person	3 Years
Contaminating water supply or food or drink	Felony	Criminal Law § 3-214 knowing contamination of water source, food supply, etc.	3 Years
Burglary and Related Crimes CJIS CODE	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Burglary – in the first degree or home invasion	Felony	Criminal Law § 6-202 breaking and entering dwelling of another with intent to commit theft or violence	3 Years
Burglary – in the second degree	Felony	Criminal Law § 6-203 breaking & entering storehouse of another with intent to commit theft, violence, 2nd degree arson, or carry away firearms	3 Years
Burglary – in the third degree	Felony	Criminal Law § 6-204 breaking & entering dwelling of another with intent to commit crime	3 Years

Burglary – in the fourth degree	Misdemeanor	Criminal Law § 6-205 breaking & entering dwelling or storehouse of another, being in or on dwelling or storehouse of another with intent to commit theft	18 months
Breaking and entering motor vehicle - Rogue and vagabond	Misdemeanor	Criminal Law § 6-206 a person may not possess a burglar's tool with the intent to use or allow the use of the burglar's tool in the commission of a crime involving the breaking and entering of a motor vehicle	18 months
Burglary with destructive devices	Felony	Criminal Law § 6-207 opening or attempting to open safe using destructive device while committing 1st, 2nd, or 3rd degree burglary	3 Years
Breaking and entering a research facility	Felony	Criminal Law § 6-208 breaking & entering research facility with intent to obtain control over, alter, damage, move, or destroy research property	3 Years
Credit Card Crimes CJIS CODE	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Credit card counterfeiting	Felony	Criminal Law § 8-205 falsely making a purported credit card, falsely embossing a credit card, or transferring or possessing a falsely made instrument purported to be a credit card; unauthorized signature on a credit card with intent	3 Years
Obtaining property by counterfeiting, theft, or misrepresentation	Felony or Misdemeanor	Criminal Law §8-206 a person may not for the purpose of obtaining money, goods, services or anything of value with the intent to defraud use a credit card obtained in violation of 8-204 or 8-205 or a credit card that the person knows to be	3 Years / 18 months

Fraud -- Honoring stolen or counterfeit credit card; false representation to issuer	Felony or Misdemeanor	Criminal Law § 8-207 if a person is authorized by an issuer to furnish money, goods, services on presentation of a credit card by the cardholder, the person or an agent or employee of the person may not, with the intent to defraud the issuer or cardholder furnish if the credit card was obtained in violation of 8-204, 8205 or if the person knows the credit card is counterfeit.	3 Years / 18 months
Crimes Against Public Administration **CJIS CODE**	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Representation of toxic material or destructive device	Felony	Criminal Law § 9-505 a person may not manufacture, possess, transport, or place a device that is constructed to represent a destructive device	3 Years
Injury to or interference w/ property- Acting w/ intent to hinder defense-related activity	Felony	Criminal Law § 9-702 a person may not destroy, impair, damage, or interfere or tamper w/ real property or personal property w/ intent to hinder, delay, or interfere w/ a defense-related activity	3 Years
Defective workmanship - - Acting w/ intent to hinder defense-related activity	Felony	Criminal Law § 9-703 a person may not intentionally make or cause to be made or omit to note on inspection a defect in a product to be used in connection w/ a defense-related activity	3 Years
Crimes Relating To Animals **CJIS CODE**	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Abuse or neglect of animal	Misdemeanor	Criminal Law § 10-604 a person may not overdrive or overload animals; deprive animals; inflict pain on an animal	18 months

Attending a dogfight or cock fight	Misdemeanor	Criminal Law § 10-605 a person may not knowingly attend a deliberately conducted dogfight as a spectator.	18 months
Aggravated cruelty to animals –In general	Felony	Criminal Law § 10-606 a person may not intentionally mutilate, torture, cruelly beat, or kill an animal	3 Years
Aggravated cruelty to animals – Dogfights	Felony	Criminal Law § 10-607 a person may not use or allow a dog to be used in a dog fight	3 Years
Aggravated cruelty to animals – Cockfights	Felony	Criminal Law § 10-608 a person may not use or allow the use of a fowl, cock, or other bird to fight with another animal	3 Years
Killing of dog or cat – Prohibited means	Misdemeanor	Criminal Law § 10-611 a person may not kill or allow a dog or cat to be killed by decompression, gas, or curariform drugs	18 months
Abandoning domestic animal	Misdemeanor	Criminal Law § 10-612 a person who owns, possesses, or has custody of a domestic animal may not drop or leave the animal on the road, in a public place, or on a private property	18 months
Poisoning dog	Misdemeanor	Criminal Law § 10-618 a person may not willfully or maliciously give poison or ground glass to a dog	18 months
Interference with race horse	Felony	Criminal Law § 10-620 a person may not willfully or maliciously interfere with, injure, destroy, or tamper w/ a horse used for racing	3 Years

Injuring or trapping carrier pigeon	Misdemeanor	Criminal Law § 10-622 a person may not shoot, kill, or maim a carrier pigeon	18 months
Disturbing the Peace, Disorderly Conduct **CJIS CODE**	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Disturbance the public peace and disorderly conduct	Misdemeanor	Criminal Law § 10-201 may not obstruct or hinder free passage of another, act in disorderly manner that disturbs peace, fail to obey lawful order, make unreasonably loud noise	18 months
Drug Related Crimes **CJIS CODE**	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Possessing or administering controlled dangerous substance	Misdemeanor	Criminal Law § 5-601 possession or administration of any CDS	18 months
Keeping common nuisance		Criminal Law § 5-605 resorted to by individuals for the purpose of administering illegally controlled dangerous substances; or where controlled dangerous substances or controlled paraphernalia are manufactured, distributed, dispensed, stored, or concealed illegally	18 months
Drug kingpin	Felony	Criminal Law § 5-613 an organizer, supervisor, financier, or manager who acts as a coconspirator in a conspiracy to manufacture, distribute, dispense, transport in, or bring into the State a controlled dangerous substance	3 Years
Drug Related Crimes **CJIS CODE**	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**

Importer of certain controlled dangerous substances	Felony	Criminal Law § 5-614 bringing into state CDS's exceeding certain enumerated amounts	3 Years
Distributing faked controlled dangerous substance	Felony	Criminal Law § 5-617 distribution of non-controlled substance as CDS	3 Years
Possession or purchase of non controlled substance	Misdemeanor	Criminal Law § 5-618 possession or purchase of non- CDS believed to be CDS	18 months
Drug paraphernalia	Misdemeanor	Criminal Law § 5-619 use/possession of drug paraphernalia; delivery or sale of paraphernalia or possession of w/intent to do as much	18 months
Controlled paraphernalia	Misdemeanor	Criminal Law § 5-620 possession of controlled paraphernalia (syringe or instrument adopted related)	18 months
Use of weapon as separate crime	Felony	Criminal Law § 5-621 a person may not possess a firearm during and in relation to a drug traffic crime	3 Years
Firearm Crimes	Felony	Criminal Law § 5-622 a person may not possess, own, carry or transport a firearm if the person has been convicted of an attempted felony, a felony, or conspiracy to commit of felony	3 Years
Proceeds of drug crime	Felony	Criminal Law § 5-623 receiving or acquiring proceeds knowing they derived from CDS offense or engaging in financial transactions relating w/similar knowledge	3 Years
Drug-induced conduct	Misdemeanor	Criminal Law § 5-624 administration of CDS to another without that person's knowledge and commission of crime against that person	18 months

Controlled dangerous substance near school	Felony	Criminal Law § 5-627 manufacture, dispense, or possess CDS w/intent to do near schools	3 Years
Use of minor	Felony	Criminal Law § 5-628 using minors to manufacture, distribute, or deliver controlled dangerous substance	3 Years
Dispensing prescription drug	Misdemeanor	Criminal Law § 5-701 a person may not dispense a prescription drug unless licensed; manufacture, distribute, possess w/ intent to distribute; affix a false or counterfeit label; omit, remove or alter a prescription; obtain a prescription by fraud	18 months
Harboring, Escape, and Contraband **CJIS CODE**	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Harboring fugitive	Misdemeanor	Criminal Law § 9-402 may not harbor fugitive from prosecution, custody or confinement after conviction of felony	18 months
Harboring escaped inmate	Misdemeanor	Criminal Law § 9-403 may not harbor felon who escaped from custody	18 months
Escape - in the first degree	Felony	Criminal Law § 9-404 knowingly escape from place of confinement, juvenile facility, or violate restriction on movement of temporary release or home detention	3 Years
Escape – in the second degree	Misdemeanor	Criminal Law § 9-405 knowingly depart from custody after arrest, fail to obey order to report to confinement	18 months
Contraband - weapon	Felony	Criminal Law § 9-414 deliver weapon to person detained or confined	3 Years
Contraband- Controlled Dangerous Substance	Misdemeanor	Criminal Law § 9-416 deliver CDS to person detained or confined	18 months

Hate Crimes CJIS CODE	Misdemeanor or Felony	Maryland Annotated Code Citation	Period of Ineligibility
Damaging property of religious entity	Misdemeanor or Felony	Criminal Laws § 10-302 a person may not deface, damage, or destroy, or attempt to deface, damage, or destroy, personal or real property of church, synagogue, or other place of worship; a cemetery; religious school, educational facility, or community center, and grounds adjacent to them	18 months / 3 Years
Obstructing exercise of religious belief	Misdemeanor or Felony	Criminal Law § 10-303 a person may not, by force or threat of force, obstruct or attempt to obstruct another in the free exercise of that person's religious beliefs	18 months / 3 Years
Crimes; destruction of property	Misdemeanor or Felony	Criminal Law § 10-304 because of another's race, color, religious beliefs, or national origin a person may not harass or commit a crime against that person; damage the real or personal property of that person; deface, damage, or destroy, attempt to deface, damage, or destroy the real or personal property of that person or burn or attempt to burn an object on the real or personal property of that person	18 months / 3 Years
Damage to associated building	Misdemeanor or Felony	Criminal Law § 10-305 may not deface, damage, destroy or burn an object on real or personal property connected to a building that is publicly or privately owned, leased or used because of race, religion, color, national origin	18 months/ 3 Years
Homicide CJIS CODE	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**

Murder in the first degree	Felony	Criminal Law § 2-201 the killing was willful, deliberate and premeditated; committed by lying in wait; committed by poison; or committed in the perpetration of or an attempt to perpetrate: arson, burglary, carjacking, escape from correctional facility, kidnapping, mayhem, rape, robbery, sexual offense, sodomy, or anything concerning a destructive device (felony murder)	3 Years
Murder in the second degree	Felony	Criminal Law § 2-204 presumption that the homicide is 2nd degree unless the State can prove that the killing was willful, deliberate and premeditated	3 Years
Attempt to commit murder in the first degree	Felony	Criminal Law § 2-205 a specific intent to murder	3 Years
Attempt to commit murder in the second degree	Felony	Criminal Law § 2-206 assault with the intent to murder	3 Years
Manslaughter	Felony	Criminal Law § 2-207 a homicide the occurs without malice	3 Years
Manslaughter by vehicle or vessel	Felony	Criminal Law § 2-209 a person may not cause the death of another as a result of the person's driving, operating, or controlling a vehicle in a grossly negligent manner	3 Years
Homicide by Motor Vehicle or Vessel While Impaired or Under the Influence **CJIS CODE**	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**

Homicide by motor vehicle or vessel while under the influence of alcohol or under the influence of alcohol per se	Felony	Criminal Law § 2-503 a homicide by a motor vehicle while under the influence of alcohol	3 Years
Homicide by motor vehicle or vessel while impaired by alcohol	Felony	Criminal Law § 2-504 a homicide by motor vehicle while impaired by alcohol	3 Years
Homicide by motor vehicle or vessel while impaired by drugs	Felony	Criminal Law § 2-505 a homicide by motor vehicle while impaired by drugs	3 Years
Homicide by motor vehicle or vessel while impaired by a controlled dangerous substance	Felony	Criminal Law § 2-506 a homicide by motor vehicle while impaired by controlled dangerous substance	3 Years
Identity Fraud CJIS CODE	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Identity fraud	Felony or Misdemeanor	Criminal Law §8-301 a person may not with fraudulent intent possess, obtain, or help another to possess or obtain any personal identifying information of an individual without the consent of the individual, in order to use, sell or transfer the information to get a benefit, credit, good, service or other thing of value in the name of the individual	3 Years / 18 months
Indecency and Obscenity CJIS CODE	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Indecent Exposure	Misdemeanor	Criminal Law § 11-107	18 months
Child Pornography	Felony	Criminal Law § 11-207 induce minor to engage as subject in obscene matter, distribute material showing minors engaged in, or using computer to do same	3 Years

Possession of visual representation of child under 16 engaged in certain sexual acts	Felony or Misdemeanor	Criminal Law § 11-208 knowingly possessing film, tape, picture, depicting child under 16 engaged in sex conduct/acts	3 Years / 18 months
Indecency and Obscenity CJIS CODE	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Hiring minor for prohibited purpose	Misdemeanor	Criminal Law § 11-209 hiring a minor to do or assist in the sale or display of obscene publications	18 months
Kidnapping CJIS CODE	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Kidnapping	Felony	Criminal Law § 3-502 a person may not by force or fraud, carry or cause a person to be carried in or outside the State	3 Years
Child Kidnapping	Felony	Criminal Law § 3-503 a person may not, w/out color of right: abduct, take, carry away a child under the age of 12 years	3 Years
Malicious Destruction and Related Crimes CJIS CODE	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Malicious destruction -- Generally	Misdemeanor	Criminal Law § 6-301 willful and malicious destruction of real/personal property of another having a value of less than/more than $500	18 months
Malicious destruction – Throwing object at vehicle	Misdemeanor	Criminal Law § 6-302 unlawful and willful throwing (of rocks, bricks, scrap) at or into occupied vehicles	18 months
Obstructing Justice CJIS CODE	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**

Inducing false testimony or avoidance of subpoena	Misdemeanor or Felony	Criminal Law § 9-302 a person may not harm, threaten another, or destroy property to influence a victim or witness to testify, or avoid a subpoena	18 months / 3 Years
Retaliation for testimony	Misdemeanor or Felony	Criminal Law § 9-303 a person may not intentionally harm another or destroy property with the intent to retaliate for giving testimony	18 months / 3 Years
Intimidating or corrupting juror	Misdemeanor or Felony	Criminal Law § 9-305 a person may not, by threat, force, or corruption try to influence a juror	18 months / 3 Years
Obstruction of Justice	Misdemeanor	Criminal Law § 9-306 a person may not, by threat, force, or corruption obstruct the administration of justice	18 months
Prostitution and Related Crimes CJIS CODE	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Receiving earnings of prostitute	Misdemeanor	Criminal Law § 11-304 knowingly receiving money without consideration from earnings of prostitute	18 months
Persuasion, enticement, or aid in persuasion or enticement of individuals under age of 16	Felony	Criminal Law § 11-305 inducing a child under age of 16 to engage in prostitution	3 Years
Solicit or offer to procure or solicit prostitution	Misdemeanor	Criminal Law § 11-306 keep, set up, occupy, maintain, or operate a house for prostitution	18 months
Robbery CJIS CODE	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**

Robbery	Felony	Criminal Law § 3-402 taking and carrying away of the personal property of another, from his person or in his presence, by violence or force	3 Years
Robbery with dangerous weapon	Felony	Criminal Law § 3-403 taking and carrying away of the personal property of another, from his person or in his presence, by violence or force with a weapon	3 Years
Carjacking	Felony	Criminal Law § 3-405 an individual may not take unauthorized possession or control of a motor vehicle from another individual who actually possesses the motor vehicle, by force or violence, or by	3 Years
Sexual Crimes CJIS CODE	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Rape in the first degree	Felony	Criminal Law § 3-303 first degree (aggravating factor present such as weapon, injury, others, burglary)	Sex Offender Registry-Lifetime Bar
Rape in the second degree	Felony	Criminal Law § 3-304 2nd degree (no aggravating factors or victim mentally limited or under 14 yrs)	Sex Offender Registry-Lifetime Bar
Sexual Offense in the third degree	Felony	Criminal Law § 3-307 (3rd degree)-- sexual act w/aggravating factors or victim under 14 if defendant 4 yrs older or if victim 14 or 15 if defendant at least 21	Sex Offender Registry-Lifetime Bar
Sexual Offense in the fourth degree	Misdemeanor	Criminal Law § 3-308 (4th degree)-- sexual act without aggravating factors, or victim was 14 or 15 and defendant not 21	18 months
Attempted rape in the first degree	Felony	Criminal Law § 3-309 (1st degree)-- attempt to commit rape	Sex Offender Registry-Lifetime Bar

Attempted rape in the second degree	Felony	Criminal Law § 3-310 (2nd degree)-- attempt to commit rape	Sex Offender Registry-Lifetime Bar
Sexual Crimes CJIS CODE	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Sexual conduct between correctional or juvenile justice employee and inmate or confined child	Misdemeanor	Criminal Law § 3-314 correctional employee engaging in intercourse and sexual act w/inmate	18 months
Continuing Course of Conduct against Child	Felony	Criminal Law § 3-315 3 or more acts over a period of 90 days in violation of 3-303,3-304, 3-305, 3-306, or 3307	Sex Offender Registry-Lifetime Bar
Stalking and Harassment CJIS CODE	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Stalking	Misdemeanor	Criminal Law § 3-802 a malicious course of conduct w/ an intent to place that person in reasonable fear of serious bodily injury or death or that a third person will suffer serious bodily injury or death	18 months
Harassment	Misdemeanor	Criminal Law § 3-803 following another in a public place or maliciously engaging in a course of conduct that alarms or seriously annoys with the intent to harass, alarm, annoy; after receiving a reasonable warning or request to stop.	18 months
Surveillance and Other Crimes Against Privacy CJIS CODE	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**

Visual Surveillance	Misdemeanor	Criminal Law § 3-901 a person may not conduct or procure another to conduct visual surveillance of an individual in a private place w/out consent	18 months
Visual Surveillance with prurient intent	Misdemeanor	Criminal Law § 3-902 a person may not w/ prurient conduct or procure another to conduct visual surveillance of an individual in a private place w/out consent	18 months
Camera Surveillance	Misdemeanor	Criminal Law § 3-903 a person may not place or procure another to place a camera on a private residence to conduct deliberate surreptitious	18 months
Theft **CJIS CODE**	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
General Theft provisions	Felony or Misdemeanor	Criminal Law § 7-104 a person may not willfully or knowingly obtain or exert unauthorized control over property	3 Years / 18 months
Motor vehicle theft	Felony	Criminal Law § 7-105 a person may not knowingly and willfully take a motor vehicle out of the owner's lawful custody, control, or use without the owner's consent	3 Years
Weapon Crimes **CJIS CODE**	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Dangerous weapons	Misdemeanor	Criminal Law § 4-101 no person shall wear or carry a dangerous weapon concealed or about the person; or mace, etc. w/ the intent or purpose of injuring any person in any unlawful manner	18 months

Deadly weapons on school property	Misdemeanor	Criminal Law § 4-102 no person shall carry or possess any weapon on any public school property	18 months
Disarming a law enforcement officer	Felony	Criminal Law § 4-103 a person may not knowingly remove or attempt to remove a firearm from the possession of a law enforcement officer	3 Years
Child's access to firearms	Misdemeanor	Criminal Law § 4-104 a person may not store or leave a loaded firearm in a location where the person knew or should have known that an unsupervised child would gain access	18 months
Transfer of switchblade or shooting knife	Misdemeanor	Criminal Law § 4-105 a person may not sell, barter, display, or offer to sell or barter: a knife, penknife that opens automatically, or a shooting knife	18 months
Wearing, carrying, or transporting handgun	Misdemeanor	Criminal Law § 4-203 a person may not wear, carry, or transport a handgun (concealed or open) on or about the person, or in a vehicle traveling on a road or parking lot	18 months
Weapon Crimes CJIS CODE	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Use of firearm in commission of crime	Misdemeanor	Criminal Law § 4-204 a person may not use a handgun or antique firearm capable of being concealed on the person in the commission of a crime	18 months

Possession of firearm at public demonstration	Misdemeanor	Criminal Law § 4-208 a person may not have a firearm in the person's possession or on or about the person at a demonstration in a public place or in a vehicle that is within 1,000 feet of a demonstration in a public place if the person as a been advised of the demonstration or ordered by an officer to leave the area	18 months
Assault weapons -- Prohibited	Misdemeanor	Criminal Law § 4-303 a person may not possess an assault pistol unless it was possessed before June 1, 1994 and registered with the Secretary of the State of Police before Aug. 1, 1994	18 months
Detachable magazines -- Prohibited	Misdemeanor	Criminal Law § 4-305 a person may not manufacture, sell, offer for sale, purchase, receive, or transfer a detachable magazine that has the capacity of more than 20 rounds of ammunition	18 months
Use of machine gun in crime of violence	Felony	Criminal Law § 4-404: A person may not use or possess a machine gun in the commission or attempted commission of a crime of violence	3 Years
Weapon Crimes CJIS CODE	**Misdemeanor or Felony**	**Maryland Annotated Code Citation**	**Period of Ineligibility**
Use of machine gun for aggressive purpose	Misdemeanor	Criminal Law § 4-405 a person may not possess or use a machine gun for an offensive or aggressive purpose when the machine gun is not owned or rented by the bona fide permanent resident where the machine gun is found, or is in possession of a foreign-born person, a person who has been convicted of a felony, or the machine is not registered	18 months

Manufacture or possession of destructive device	Felony	Criminal Law § 4-503 manufacture, transport, possess, control, store, sell, distribute, use destructive device, or possess explosive material with intent to create destructive device	3 Years