Executive Summary

2017 Housing Choice Voucher – Annual and Administrative Plans
Department of Housing and Neighborhood Preservation
April 4, 2017

Federally Required Plans for the Housing Choice Voucher Program

The Department of Housing & Neighborhood Preservation (DHNP) operates the federal Housing Choice Voucher Program (HCV) in the city. The program provides funding for rental subsidies for over 2,000 households in Virginia Beach and in some cases in neighboring cities. Funding for the HCV program is from the U.S. Department of Housing and Urban Development. In order to comply with all Federal requirements for this program, the city must establish policy and procedures to ensure consistency in program operation and adopt the following plans:

<table>
<thead>
<tr>
<th>Plan Name</th>
<th>Summary Purpose and Content</th>
<th>Status</th>
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<tbody>
<tr>
<td>Five Year Agency Plan</td>
<td>Provides long term guidance for the program</td>
<td>This plan was developed and adopted by Council in 2015.</td>
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<tr>
<td>Annual Agency Plan</td>
<td>Describes the agency’s plan for the current year, consistent with the five year plan</td>
<td>Developed by staff and proposed for adoption by Council with this ordinance</td>
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<tr>
<td>Administrative Plan</td>
<td>Describes in detail how the HCV program will operate</td>
<td>Amendments have been developed by staff and are proposed for adoption by Council with this ordinance</td>
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Pursuant to 24 CFR 982.54 the VBDHNP must adopt a written administrative plan that establishes local policies for administration of the (HCV) program in accordance with HUD requirements. The administration plan and any revisions of the plan must be formally adopted by the City Council. This is required because Virginia Beach does not have a housing authority and, therefore no board of commissioners. The administrative plan states VBDHNP’s policy on matters for which the VBDHNP has discretion to establish local policies. The plan must be in accordance with HUD regulations and requirements. The current administrative plan was approved by the Virginia Beach City Council on April 5, 2016 and subsequently submitted to the Department of Housing and Urban Development. The administrative plan is the key attachment to the HCV Five Year and Annual Agency Plans which are also submitted by the VBDHNP.

CONTENTS OF THE PLAN

Federal regulations 24 CFR 982.54 further stipulate the VBDHNP administrative plan must cover VBDHNP policies on the following subjects:
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- Selection and admission of applicants from the DHNP waiting list, including any DHNP admissions preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the DHNP waiting list (Chapter 4);

- Issuing or denying vouchers, including DHNP policy on governing the voucher term and any extensions or suspensions of the voucher term. “Suspension” means stopping the clock on the term of a family’s voucher after the family submits a request for “approval of the tenancy” (Chapter 8);

- Any special rules for use of available funds when HUD provides funding to the DHNP for special purpose (e.g. continuum of care), including funding for specified families or specified category of families (Chapter 4);

- Occupancy polices, including definition of what group of persons may qualify as a “family”, definition of when a family is considered to be “continuously assisted”, standards for denying admissions or terminating assistance based on criminal activity or alcohol abuse in accordance with 982.553 (Chapters 5 and 15);

- Encouraging participation by owners of suitable units located outside of areas of low income (Chapter 1);

- Assisting a family that claims that illegal discrimination has prevent the family from leasing a suitable unit (Chapter 2);

- Providing information about a family to prospective owners (Chapters 3 and 9);

- Disapproval of owners (Chapter 13);

- Subsidy standards (Chapter 5);

- Family absence from the dwelling unit (Chapter 12);

- How to determine who remains in the program is a family breaks up (Chapter 12);

- Informal review procedures for applicants (Chapter 18);

- Informal hearing procedures for participants (Chapter 16);

- The process for establishing and revising voucher payment standards (Chapter 8);
The method of determining reasonable rent to owners (Chapter 11);

Special policies concerning special housing types in the program (e.g. use of shared housing) (Chapter 4);

Policies concerning debts owed by families to DHNP (Chapter 17);

Interim re-determinations of family income and composition (Chapter 12);

Restrictions on the number of moves by a participant family (Chapter 13);

Approval by the board of commissioners or other authorized officials to charge the administrative fee reserve (Chapter 1);

Procedural guidelines and performance standards for conducting required housing quality standard inspections (Chapter 10); and

DHNP screening of applicants for family behavior or suitability for tenancy (Chapter 2)

Additional Detail on Plan Contents

Annual Agency Plan: This plan must be submitted annually. The plan as developed by staff contains the following information:

- Eligibility, selection and admissions policies, including de-concentration and wait list procedures
- Financial resources
- Rent determination procedures
- Operations and management
- Grievance procedures
- Self-sufficiency programs (FSS)
- Civil rights certifications
- Fiscal year audit
- Housing needs for the area
- Strategy for meeting housing needs
- Progress in meeting mission and goals
- Any significant amendment and substantial deviations or modifications
- Any plan elements that have been revised since the last Annual Plan certification
- A listing of the locations where key elements of the Plan can be found
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As mentioned, many of the above requirements are contained in documents that are maintained in the offices of DHNP. Those documents and their location can merely be cited rather than included in this plan.

In addition to City Council adoption of the 2017 Agency Plan, there must also be approval of two HUD required certifications. A copy of those certifications is attached to this executive summary. The first certification is HUD Form 50077 which speaks to DHNP’s compliance with various program and statutory requirements including Fair Housing, Title VI or the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act, ADA regulations and various other federal laws. The second certification is HUD Form 50077-sl which states that the Housing Choice Voucher Agency Plan is consistent with the City’s Consolidated Plan, and is previously cited.

On February 21, 2017, the Annual Plan Update was made available to the public for the required 45-day review period. A public hearing was held on March 9, 2017, in conjunction with our resident advisory board meeting. Their comments will be attached to the final HUD submittal along with any that are received from the general public.

The approved Annual Agency Plan along with the two required certifications must be electronically submitted to HUD no later than April 15, 2017, which is the required 75 days before the beginning of our Fiscal Year of July 1, 2017.

Administrative Plan:
Staff has developed revisions to the 2017 plan. Primary differences between the prior plan and this proposed revision are as follows:

- Format, grammatical and organizational corrections.
- Revisions to ensure the plan reflect actual day-to-day operations of VBDHNP’s Rental Housing Division.
- Amend admission language to allow acceptance of families into the housing program who lack social security number verification on a 90 day temporary basis (Chapter 2).
- Amend occupancy standards language to read “the utility allowance allocation is based on the lesser of the actual unit size or the approved voucher size” (Chapter 5).
- Includes an insertion of language to identify determination of income exclusion sources (Chapter 6).
- Includes an insertion in the Housing Quality Standards and Inspection Policy to include the adoption of the biennial inspection provision (Chapter 10).
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- Includes an insertion in the Housing Quality Standards and Inspection Policy to include tenant responsibility (Chapter 10).
- Includes an insertion to the Housing Quality Standards and Inspection Policy to include an inspection fee for multiple unit inspection visits (Chapter 10).
- Includes a revision to the Complaints and Appeals policy to ensure that participants have access to “all” evidence intended for use during a termination hearing (Chapter 18).

These proposed revisions were advertised and made available along with the Annual Plan as noted above.
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GLOSSARY OF TERMINOLOGY

DOCUMENTS
City of Virginia Beach Code of Ethics
Family Self- Sufficiency Plan
Reasonable Accommodation
Baker II Project Narrative
Baker II Project Rendering
Tranquility Project Narrative
Tranquility Site Plan
Process for Self-Certifying Repairs on Units Assisted Through the HCV Program

FORMS-All forms are kept electronically
Repayment Agreement Letter
Repayment Agreement
Amendment to the Repayment Agreement
INTRODUCTION

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

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

JURISDICTION

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

A. HOUSING AGENCY MISSION STATEMENT

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

1) ETHICS STATEMENT

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

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

A Code of Ethics establishes a set of principles that guide staff conduct in relations with citizens, customers, vendors, contractors, the community, and other members. These principles preserve the integrity of these relationships and assist in maintaining the highest level of public confidence in the impartial and principled operations of government. Our Code of Ethics can help by increasing awareness of key ethical issues, serving as a guide in decision-making; encouraging members to seek advice and clarify where to go for assistance; addressing misconduct and related concerns; and building trust within the City organization and the community.
B. PURPOSE OF THE ADMINISTRATIVE PLAN [24 CFR 982.54]

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

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

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 982: HCV Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR Part 983: HCV Project-Based Assistance: Housing Choice Voucher Program

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

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

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

D. RULES AND REGULATIONS [24 CFR 982.52]

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

The U.S. Department of Housing & Urban Development is referred to as “HUD”

The Virginia Beach Department of Housing & Neighborhood Preservation is referred to as DHNP throughout this document.

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

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

"Landlord" and "owner" are used interchangeably.

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

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

See Glossary for other Terminology

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

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

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

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

Landlords who participate in our voucher program are encouraged to receive and certify in Fair Housing Training annually. Fair Housing posters are posted throughout the DHNP office’s, including in the lobby and interview rooms and the equal opportunity logo will be used on all outreach materials. Staff will attend local fair housing update training sponsored by HUD and other local organization to keep current with new developments.

G. FAIR HOUSING TRAINING

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DHNP will provide fair housing training for all employees. DHNP recognizes the importance of affirmatively furthering fair housing and provides equal opportunity to all families including providing reasonable accommodation to persons with disabilities as part of our overall commitment to quality customer service. New owners who participate in the Housing Choice Voucher Program in DHNP’s jurisdiction are required to receive Fair Housing Training certification as a condition of participating in the program.

H. AFFIRMATIVELY FURTHERING FAIR HOUSING [24CFR 903.2 (d) (2) (i) (ii)]
HUD regulations provide that DHNP should take affirmative steps to overcome the effects of conditions which resulted in limiting participation of persons because of their race, national origin or other prohibited basis. In doing so the DHNP has initiated affirmative marketing efforts with community based agencies, which include a greater DHNPs is on contacting churches, social services, and minority organizations. We will initiate mailings, in person engagements, and demonstrate our efforts to increase diversity among our low income ethnicity population.

Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because DHNP’s facilities are inaccessible to or unusable by persons with disabilities. Posters and housing information are displayed in locations throughout DHNP’s office in such a manner as to be easily readable from a wheelchair.

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

I. REASONABLE ACCOMMODATION POLICY [24 CFR 100.202]
It is the policy of the DHNP to be service-directed in the administration of our housing programs, and to exercise and demonstrate a high level of professionalism while providing housing services to families.

A participant with a disability must first ask for a specific change to a policy or practice as an accommodation of their disability before DHNP will treat a person differently than anyone else. The DHNP’s policies and practices are designed to provide assurances that persons with disabilities will be given reasonable accommodations, upon request, so that they may fully access and utilize the housing program and related services. The availability of requesting an accommodation will be made known by including notices on DHNP’s forms and letters. This policy is intended to afford persons with disabilities and equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as those who do not have disabilities and is applicable to all situations described in this Administrative Plan.
To be eligible to request a reasonable accommodation, the applicant/participant must request (if apparent) or verify (if not apparent) that they are a person with a disability under the following ADA definition:

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

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

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

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

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

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

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

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

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

**Definition of Disability**

Persons are considered disabled if:

- They have a disability as defined in 42 U.S.C. 42
Chapter 1

STATEMENT OF POLICIES AND OBJECTIVES

- They are determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:
  - is expected to be of long-continued and indefinite duration;
  - substantially impedes their ability to live independently; and
  - is of such a nature that the ability to live independently could be improved by more suitable housing conditions

- They are functionally disabled as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act [42 U.S.C. 6001]7) “severe chronic disability that:
  - is attributable to a mental or physical impairment or combination of a mental and physical impairments
  - is manifested before the person attains age 22
  - is likely to continue indefinitely
  - results in substantial functional limitation in three or more of the following areas of major life activity: self care, receptive and responsive language, learning, mobility, self direction, capacity for independent living, and economic self sufficiency.

- Reflects the person’s need for a combination and sequence of special interdisciplinary or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated.

- Persons who have acquired immunodeficiency syndrome (AIDS) or any conditions arising from the AIDS virus are not excluded from this definition.

- For purposes of qualifying for low-income housing, the definition does not include a disability based solely on any drug or alcohol dependence.

Applying for Admission

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

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

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

J. TRANSLATION OF DOCUMENTS

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

- DHNP will comply with HUD directives and notices regarding policies for persons with Limited English Proficiency.
- The availability of local organizations to provide translation services to non English speaking families.

K. MANAGEMENT ASSESSMENT OBJECTIVES

- DHNP operates its housing assistance program with efficiency and can demonstrate to HUD auditors that the DHNP is using its resources in a manner that reflects its commitment to quality and service. DHNP policies and practices are consistent with the areas of measurement for the following HUD SEMAP indicators:
  - Selection from the Waiting List
  - Reasonable Rent
  - Determination of Adjusted Income
  - Utility Allowance Schedule
  - HQS Quality Control Inspections
  - HQS Enforcement
  - Expanding Housing Opportunities
  - Payment Standards
  - Annual Re-examinations
  - Correct Participant Rent Calculations
  - Pre-Contract HQS Inspections
  - Annual HQS Inspections
  - Lease-up
  - Family Self-Sufficiency Enrollment and Escrow Account Balances
  - Bonus Indicator De-concentration
Supervisory quality control reviews will be performed by a DHNP Supervisor or other qualified person other than the person who performed the work, as required by HUD, on the following SEMAP factors:

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

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

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

L. RECORDS FOR MONITORING DHNP’S PERFORMANCE

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

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

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

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

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

Any and all information which would lead one to determine the nature and/or severity of a person's disability must be kept in a separate folder and marked "confidential" or returned to the family member after its use. The personal information in this folder must not be released except on an "as needed" basis in cases where an accommodation is under consideration. All requests for access and granting of accommodations based on this information must be approved by the Housing Programs Coordinator, Housing Programs Administrator, or Director of Housing.
DHNP's practices and procedures are designed to safeguard the privacy of applicants and program participants. All applicant and participant files will be stored in a secure location which is only accessible by authorized staff.

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

**N. FAMILY OUTREACH**

DHNP will publicize and disseminate information to make known the availability of housing assistance and related services for very low income families on a regular basis. When DHNP’s waiting list is open, DHNP will publicize the availability and nature of housing assistance for very low income families in a newspaper of general circulation, minority media, and by other suitable means.

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

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

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

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

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

DHNP encourages participation by owners of suitable units located outside areas of low poverty or minority concentration.

DHNP conducts annual meetings with participating owners to improve owner relations and to recruit new owners.

DHNP maintains a list of units available for the HCV Program and updates this list at least bi-weekly. When listings from owners are received, they will be compiled by DHNP’s staff by bedroom size.

Printed material is offered to acquaint owners and agents with the opportunities available under the program. DHNP encourages program participation by owners of units located outside areas of poverty or minority concentration. DHNP periodically evaluates the demographic distribution of assisted families to identify areas within the jurisdiction where owner outreach should be
targeted. The purpose of these activities is to provide more choices and better housing opportunities to families.

DHNP shall periodically:

- Establish contact with civic, charitable or neighborhood organizations which have an interest in housing for low-income families and public agencies concerned with obtaining housing for displacements.
- Explain the program, including equal opportunity requirements and nondiscrimination requirements, including Fair Housing Amendments Act of 1988 and Americans with Disabilities Act, to real estate agents, landlords, and other groups that have dealings with low-income families or are interested in housing such families.

P. Streamlining Administrative Practices in the Housing Choice Voucher Program

Owner verification of unit repair completion:

Effective July 1, 2015, DHNP adopted a policy of self-certification by owners for limited types of unit violations. This practice reduces the number of inspection visits required to verify unit compliance.
INTRODUCTION

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

A. ELIGIBILITY FACTORS [982.201(b)]

The DHNP accepts applications only from families whose head or spouse is at least 18 years of age or emancipated minors under State law. To be eligible for participation, an applicant must meet HUD's criteria, as well as any permissible additional criteria established by DHNP.

The HUD eligibility criteria are:

- An applicant must be a "family."
- An applicant must be within the appropriate Income Limits.
- An applicant must furnish Social Security Numbers for all family members.
- An applicant must furnish declaration of Citizenship or Eligible Immigrant Status and verification when required.
- At least one member of the applicant family must either be a U.S. citizen or have eligible immigration status before the DHNP may provide any financial assistance.

Reasons for denial of admission are addressed in "Denial or Termination of Assistance", Chapter 15. These reasons for denial constitute additional admission criteria.

The Family's initial eligibility for placement on the waiting list will be made in accordance with the eligibility criteria.

B. FAMILY COMPOSITION [24 CFR 982.201(c)]

*Family*. A person or group of persons as determined by the DHNP, approved to reside in a unit with assistance under the program.

A family may be:

- An elderly person
- A displaced person
- A person with a disability (Individuals may not be considered disabled for eligibility purposes solely based on any drug or alcohol dependence.)
• Any other single person who is not elderly, displaced, or the remaining member of a tenant family
• Two or more persons who intend to share residency
• One or more disabled persons living with one or more live-in aides

A child who is temporarily away from the home because of placement in foster care is considered a member of the family. This provision only pertains to the foster child's temporary absence from the home, and is not intended to artificially enlarge the space available for other family members. Temporary is defined as in excess of 30 consecutive days.

**Head of Household**

The head of household is the adult member of the household who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State/local law. Emancipated minors who qualify under State law will be recognized as head of household.

**Spouse of Head**

Spouse means the husband or wife of the head. For proper application of the non-citizens rule, the definition of spouse is: the marriage partner whom, 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.

**Co-Head**

This is an individual in the household who is equally responsible for the lease with the Head of Household. A family may have a spouse or co-head, but not both. A co-head never qualifies as a dependent.

**Live-in Attendants** [24 CFR 982.316]

A Family may include a live-in aide provided that such live-in aide:
- Is determined by the DHNP’s staff to be essential to the care and well being of an elderly person, a near-elderly person, or a person with disabilities,
- Is not obligated for the support of the person(s), and
- Would not be living in the unit except to provide care for the person(s).

A live-in aide is treated differently than family members:
- Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits.
- Live-in aides are not subject to Non-Citizen Rule requirements.
- Live-in aides may not be considered as a remaining member of the participant family.
Chapter 2  
ELIGIBILITY FOR ADMISSION  
[24 CFR Part 5, Subparts B, D & E; Part 982]

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

A Live in Aide may only reside in the unit with the approval of the DHNP. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or caseworker. The verification provider must certify that a live-in aide is needed for the care of the family member who is elderly, near elderly (50-61) or disabled.

The DHNP will approve a live-in aide if needed as a reasonable accommodation to make the program accessible to and usable by the family member with a disability. Approval of a live-in aide for reasonable accommodation will be in accordance with CFR 24 Part 8 and the reasonable accommodations section in Chapter 1 of this administrative plan.

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

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

**Split Households Prior to Voucher Issuance**

When a family on the waiting list splits into two otherwise eligible families due to divorce or legal separation, and the new families both claim the same placement on the waiting list, and there is no court determination, the DHNP will make the decision taking into consideration the following factors:

- Which family member applied as head of household?
- Which family unit retains the children or any disabled or elderly members?
- Restrictions that were in place at the time the family applied.
- Role of domestic violence in the split.
- Recommendations of social service agencies or qualified professionals such as children's protective services.

Documentation of these factors is the responsibility of the applicant families. If either or both of the families do not provide the documentation, they may be denied placement on the waiting list for failure to supply information requested by DHNP.

In cases where domestic violence played a role, verification will be required.
Multiple Families in the Same Household

When families apply which consist of two families living together, (such as a mother and father, and a daughter with her own husband or children), if they apply as a family unit, they will be treated as a family unit.

Joint Custody of Children

Children who are subject to a joint custody agreement but live with one parent at least 51% of the time will be considered members of the household. "51% of the time" is defined as 183 days of the year, which do not have to run consecutively.

There will be a self-certification required of families who claim joint custody or temporary guardianship.

When both parents are on the Waiting List and both are trying to claim the child, the parent whose address is listed in the school records will be allowed to claim the school-age child as a dependent.

The determination of household composition is made at the discretion of the DHNP.

C. INCOME LIMITATIONS [24 CFR 982.201(b), 982.353]

To be eligible for assistance, an applicant must meet one or more of the following criteria:

- Have an annual income at the time of admission that does not exceed the very low-income limits for occupancy established by HUD.
- Be a very low-income family.
- Be a low-income family that is continuously assisted under the 1937 Housing Act. An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within 120 days of voucher issuance. Programs include any housing federally assisted under the 1937 Housing Act.
- Be a low-income family physically displaced by rental rehabilitation activity under 24 CFR part 511.
- Be a low-income non-purchasing family residing in a HOPE 1 or HOPE 2 project.
- Be a low-income non-purchasing family residing in a project subject to a home-ownership program under 24 CFR 248.173.
- Be a low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of an insurance contract on eligible low-income housing as defined in 24 CFR 248.101.
- Be a low-income family that qualifies for Voucher assistance as a non-purchasing family residing in a project subject to a resident home ownership program under 24 CFR 248.173
• Be a low-income family previously assisted under the Housing Choice Voucher program whose assistance was terminated due to insufficient funding.

To determine if the family is income-eligible, the DHNP compares the annual income of the family to the applicable income limit for the family's size.

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

DHNP will use current circumstances to anticipate annual income; unless verification forms indicate an imminent change, (e.g. verification indicates an increase of 2.4 percent in Social Security benefits beginning on January 1).

Calculating projected annual income by annualizing current income (and subsequently conducting an interim reexamination if income changes).

Portability: For initial lease-up at admission, families who exercise portability must be within the applicable income limit for the jurisdiction of the receiving PHA in which they want to live. The family will also be subject to existing occupancy standards in effect in the receiving PHA’s jurisdiction.

Presently and until further notice, the DHNP’s is not absorbing any fees associated with request for Portability. We are currently only billing the sending jurisdiction for the fees associated with the voucher, once the participant has executed a lease in our jurisdiction.

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

All individuals applying for and or participating in the housing choice program must have a valid social security number. Applicant families which lack the necessary documentation to verify the social security number for household members under 6 will be granted a 90 day grace period to provide the required documentation. During the grace period, the participant family may become a program participant so long as all other required eligibility requirements are satisfied.

During the grace period, the child is included as part of the assisted family household, and is entitled to all benefits of being a part of the household. The participant must present to DHNP the complete and accurate SSN assigned to the child in question immediately upon its receipt. DHNP will perform an interim action to update the child’s personal information.

90 days grace period is effective on the date of the voucher issuance. DHNP may grant the applicant an additional 90 days grace based upon extenuating circumstances which prevented the applicant from providing the required SSN.

Applicants with individuals older than 6 with a missing SSN will not be considered eligible for housing assistance.
Chapter 2
ELIGIBILITY FOR ADMISSION
[24 CFR Part 5, Subparts B, D & E; Part 982]

DHNP will terminate the housing assistance and tenancy of the new participant and the participant’s household if the participant fails to meet the applicable SSN disclosure, documentation and verification requirements by the designated deadline. DHNP will provide both the participant and owner the appropriate notice of termination. 24 CFR §5.218.

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

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

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

Mixed Families. A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed." Such applicant families will be given notice that their assistance will be pro-rated and that they may request a hearing if they contest this determination.

All members ineligible. Applicant families that include no eligible members are ineligible for assistance. Such families will be denied admission and offered an opportunity for a hearing.


Appeals. For this eligibility requirement only, the applicant is entitled to a hearing exactly like those provided for participants.

F. OTHER CRITERIA FOR ADMISSIONS [24 CFR 982.552(b) & 982.553]

A family will not be admitted to the program if any member of the family has been evicted from federally assisted housing for serious or repeated violations of the lease within the past 5 years.

A family will be denied admission to the program if any member of the family fails to sign and submit consent forms for obtaining information required by the DHNP’s including Form HUD-9886.

The family must not have violated any family obligation during a previous participation in the HCV program for 7 years prior to final eligibility determination. The DHNP will make an exception, if the family member who violated the family obligation is not a current member of the household on the application.
The family must be in good standing regarding any current payment agreement made with another HA for a previous debt incurred, before the DHNP will allow participation in its HCV program.

The DHNP will check criminal history for all adults in the household to determine whether any member of the family has violated any of the prohibited behaviors as referenced in the section on screening and terminations policy in the "Denial or Termination of Assistance" chapter.

If any applicant deliberately misrepresents the information on which eligibility or participant rent is established, the DHNP may deny assistance and may refer the family file/record to the proper authorities for appropriate disposition. (See Program Integrity Addendum).

G. PARTICIPANT SCREENING [24 CFR 982.307]

The DHNP’s Rental Housing staff will take into consideration any of the criteria for admission described in the "Denial or Termination of Assistance" chapter.

The DHNP’s Rental Housing Division will not screen family behavior or suitability for tenancy. DHNP will not be liable or responsible to the owner or other persons for the family’s behavior or the family’s conduct in tenancy. The owner is responsible for screening and selection of the family to occupy the owner’s unit. At or before DHNP’s approval of the tenancy, DHNP will inform the owner that screening and selection for tenancy is the responsibility of the owner.

The owner is responsible for screening families based on their tenancy histories, including such factors as [24 CFR 982.307(a) (3)]

- Payment of rent and utility bills
- Caring for a unit and premises
- Respecting the rights of other residents to the peaceful enjoyment of their housing
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety or property of others; and
- Compliance with other essential conditions of tenancy.

The DHNP must give the owner:

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

The same types of information will be supplied to all owners.

DHNP will advise families how to file a complaint if an owner has discriminated against them. DHNP will also advise the family to make a Fair Housing complaint. DHNP must also report the owner to HUD (Fair Housing/Equal Opportunity).
H. CHANGES IN ELIGIBILITY PRIOR TO EFFECTIVE DATE OF THE CONTRACT

Changes that occur during the period between issuance of a voucher and lease up may affect the family's eligibility or share of the rental payment.

I. INELIGIBLE FAMILIES

Families who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an informal review if they were denied due to noncitizen status. See "Complaints and Appeals" chapter for additional information about reviews.

J. PROHIBITED ADMISSIONS CRITERIA [982.202(b)]

Admission to the program may not be based on:

- Where a family lives prior to admission to the program*.
- Where the family will live with assistance under the program.
- Discrimination because members of the family are unwed parents, recipients of public assistance, or children born out of wedlock.
- Discrimination because a family includes children.
- Whether a family decides to participate in a family self sufficiency program; or
- Other reasons as listed in the "Statement of Policies and Objectives" chapter under the Fair Housing and Reasonable Accommodations sections.

* However DHNP may target assistance for families who live in public housing or other federally assisted housing, or may adopt a residency preference (as per [982.207]). If DHNP has requested and subsequently adopted a Residency Preference, it will be explained in further detail in the Waiting List/Preference Section of this Administrative Plan.
INTRODUCTION

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

A. OVERVIEW OF THE APPLICATION TAKING PROCESS

The purpose of application taking is to permit DHNP to gather information and determine placement on the waiting list. The application will contain questions designed to obtain pertinent program information.

Families who wish to apply for any one of DHNP's programs must complete a written application form when application taking is open. Applications will be made available in an accessible format upon request from a person with a disability.

When the waiting list is open, any family asking to be placed on the waiting list for HCV rental assistance will be given the opportunity to complete an application.

The application process will involve two phases. The first is the "initial" application for assistance (referred to as a preapplication). This first phase may result in the family's placement on the waiting list.

The pre-application will be dated, time-stamped, and referred to DHNP’s eligibility office where it will be maintained until it is needed for processing.

The second phase is the "final determination of eligibility" (referred to as the full application). The full application takes place when the family reaches the top of the waiting list. At this time, DHNP ensures that verification of all HUD and PHA eligibility factors is current in order to determine the family's eligibility for the issuance of a voucher, or participation in a Project Based Voucher program (PBV).

B. OPENING/CLOSING OF APPLICATION TAKING [24 CFR 982.206, 982.54(d) (1)]

DHNP will utilize the following procedures for opening the waiting list:
At least one (1) week prior to opening the Waiting List, the DHNP will advertise through public notice in the local newspapers, minority publications and media entities, the City of Virginia Beach public television and radio stations.

The notice will contain:
- The dates, times, and the locations where families may apply.
- The programs for which applications will be taken.
- A brief description of the program.
- The beginning and ending dates for accepting applications
- Limitations, if any, on who may apply.

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

Upon request from a person with a disability, additional time will be given as an accommodation for submission of an application after the closing deadline. This accommodation is to allow persons with disabilities the opportunity to submit an application in cases when a social service organization provides inaccurate or untimely information about the closing date.

If the waiting list is open, DHNP will accept applications from eligible families unless there is good cause for not accepting the application, such as denial of assistance because of action or inaction by members of the family for the grounds stated in the "Denial or Termination of Assistance" chapter of this Administrative Plan. [24 CFR 982.206(b) (2)]

**Closing the Waiting List**

The open period shall be long enough to achieve a waiting list adequate to cover projected turnover and new allocations over the next 12 months. When the period for accepting applications is over, DHNP will separate the new applicants into groups based on preference points and lotterized the applicants within each group. An applicant waiting list number will be assigned based on the lottery process.

When the waiting list is open:

- Normally, any family asking to be placed on the waiting list for HCV rental assistance will be given the opportunity to complete an application.
- Depending upon the composition of the waiting list with regard to family types and preferences and to better serve the needs of the community, DHNP may only accept applications from any family claiming preference(s).
C. "INITIAL" APPLICATION PROCEDURES [24 CFR 982.204(b)]

DHNP will utilize a preliminary application form. The information is to be filled out by the applicant whenever possible. All applications will be completed on-line only. Public locations with computers and internet access will be identified in the notice advertising the opening of the waiting list. Assistance in completing the application will be provided on-site.

The purpose of the preliminary application is to permit DHNP to preliminarily assess family eligibility or ineligibility and to determine placement on the waiting list. The preliminary application will contain at least the following information:

- Applicant name
- Family Unit Size (number of bedrooms the family qualifies for under PHA subsidy standards)
- Date and time of application
- Qualification for any local preference
- Racial or ethnic designation of the head of household
- Annual (gross) family income
- Targeted program qualifications

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

Ineligible families will not be placed on the waiting list.

Preliminary applications will not require an interview. The information on the application will not be verified until the applicant has been selected for final eligibility determination. Final eligibility will be determined when the full application process is completed and all information is verified.

D. APPLICANT STATUS WHILE ON WAITING LIST [CFR 982.204]

Applicants are required to inform DHNP in writing of changes in address. Applicants are also required to respond to requests from DHNP to update information on their application and to determine their interest in assistance.

If after a review of the preliminary application the family is determined to be preliminarily eligible, they will be notified in writing or in an accessible format upon request, as a reasonable accommodation.

This written notification of preliminary eligibility will be provided in one of three manners:
- given to the applicant at the time the preapplication is submitted
- mailed to the applicant by first class mail
- distributed to the applicant in the manner requested as a specific accommodation.
If the family is determined to be ineligible based on the information provided in the pre-application, DHNP will notify the family in writing (in an accessible format upon request as a reasonable accommodation), state the reason(s), and inform them of their right to an informal review. Persons with disabilities may request to have an advocate attend the informal review as an accommodation. (See "Chapter 18, Complaints and Appeals")

E. TIME OF SELECTION [24 CFR 982.204]

When funding is available, families will be selected from the waiting list in their determined sequence, regardless of family size, subject to income targeting requirements.

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

F. COMPLETION OF A FULL APPLICATION

All preferences claimed on the preliminary application or while the family is on the waiting list will be verified upon selection from the waiting list.

The qualification for preference must exist at the time the preference is claimed and at the time of verification, because claim of a preference determines placement on the waiting list.

After the preference is verified, when DHNP is ready to select applicants, applicants will be required to participate in a full application interview with a PHA representative during which the applicant will be required to furnish complete and accurate information verbally as requested by the interviewer. DHNP interviewer will complete the full application form with answers supplied by the applicant. The applicant will sign and certify that all information is complete and accurate.

The full application will be completed when the applicant attends the interview.

Requirement to Attend Interview

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

All adult family members are required to attend the interview and sign the housing application.

Exceptions may be made for students attending school out of state and/or for members for whom attendance would be a hardship.
Chapter 3
APPLYING FOR ADMISSION
[24 CFR 982.201, 982.204, 982.206, 982.54]

It is the applicant's responsibility to reschedule the interview if they miss the appointment. If the applicant does not reschedule or misses two scheduled meetings, DHNP will reject the application.

Applicants who fail to appear and want to reschedule a missed appointment must make the request to reschedule no later than 5 working days from the original appointment date. The request must be made to the staff person who scheduled the appointment.

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

Reasonable accommodation will be made for persons with a disability who require an advocate or accessible offices. A designee will be allowed to participate in the interview process, but only with permission of the person with a disability.

If an application is denied due to failure to attend the full application interview, the applicant will be notified in writing and offered an opportunity to request an informal review. (See "Complaints and Appeals" chapter.)

All adult members must sign the HUD Form 9886, Release of Information, the application form, the declarations and consents related to citizenship/immigration status and all supplemental forms required by DHNP. Applicants will be required to sign specific verification forms for information, which is not covered, by the HUD form 9886. Failure to do so will be cause for denial of the application for failure to provide necessary certifications and release as required by DHNP.

Every adult household member must sign a consent form to release criminal conviction records and to allow DHNP to receive records and use them in accordance with HUD regulations.

If DHNP determines at or after the interview that additional information or document(s) are needed, DHNP will request the document(s) or information in writing. The family will be given 10 working days to supply the information.

If the information is not supplied in this time period, DHNP will provide the family a notification of denial for assistance. (See "Complaints and Appeals" chapter)

G. VERIFICATION [24 CFR 982.201(e)]

Information provided by the applicant will be verified, using the verification procedures in the "Verification Procedures," Chapter 7. Family composition, income, allowances and deductions, assets, full-time student status, eligibility and rent calculation factors, and other pertinent information will be verified. Verifications may not be more than 60 days old at the time of issuance of the Voucher.
H. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY
[24 CFR 982.201]

After the verification process is completed, DHNP will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by DHNP, and the current eligibility criteria in effect. If the family is determined to be eligible, DHNP will mail a notification of eligibility. A briefing will be scheduled for the issuance of a voucher and/or the family's orientation to the housing program.
INTRODUCTION

It is DHNP's objective to ensure that families are placed in the proper order on the waiting list and selected from the waiting list for admission in accordance with the policies in this Administrative Plan.

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

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

A. WAITING LIST [24 CFR 982.204] [24 CFR 983.251]

The DHNP may use more than one waiting list in the administration of our voucher program. There will be a single waiting list for our HCV participant based assistance program, and we may use a separate waiting list for admission to our PBV units, or may use the same waiting list for both Tenant-based assistance and PBV assistance. If we choose to use a separate waiting list for admission to our PBV units, we must offer to place applicants who are listed on the waiting list for tenant-based assistance on the waiting list for PBV assistance (24CFR983.251).

For PBV Programs involving more than one municipality, the City of Virginia Beach DHNP may establish multiple waiting lists that reflect the voucher allocations made to each of the participant cities.

The DHNP may use separate waiting lists for PBV units in individual projects or buildings (or for sets of such units) or may use a single waiting list for the DHNP’s whole PBV program. In either case, the waiting list may establish criteria, or preferences for occupancy of particular units.

The DHNP may place families referred by the PBV owner on its PBV waiting list.

In the case of Special Admissions, [24 CFR 983.203] applicants will be selected from DHNP’s waiting list in accordance with policies and preferences and income targeting requirements defined in this Administrative Plan.

The DHNP will maintain information that permits proper selection from the waiting list.

The waiting list contains the following information for each applicant listed:

- Applicant name
- Family unit size (number of bedrooms family qualifies for under the DHNP subsidy standards)
Chapter 4
ESTABLISHING PREFERENCES AND MAINTAINING THE WAITING LIST
[24 CFR Part 5, Subpart D; 982.54(d) (1); 982.204, 982.205, 982.206, 982.207]

- Date and time of application
- Qualification for any local preference
- Racial or ethnic designation of the head of household
- Annual (gross) family income
- Number of persons in family
- Targeted program qualifications

B. SPECIAL ADMISSIONS [24 CFR 982.54(d) (e), 982.203]

If HUD awards to DHNP program funding that is targeted for specifically named families, DHNP will admit these families under a Special Admission procedure.

Special admissions families will be admitted outside of the regular waiting list process. They do not have to qualify for any preferences, nor are they required to be on the program waiting list. DHNP maintains separate records of these admissions.

The following are examples of types of program funding that may be designated by HUD for families living in a specified unit:
- A family displaced because of demolition or disposition of a public or Indian housing project;
- A family residing in a multifamily rental housing project when HUD sells, forecloses or demolishes the project;
- For housing covered by the Low Income Housing Preservation and Resident Home-ownership Act of 1990;
- A family residing in a project covered by a project-based HCV HAP contract at or near the end of the HAP contract term; and
- A non-purchasing family residing in a HOPE 1 or HOPE 2 project.
- Families qualifying for placement under specialized HUD voucher programs such as Continuum of Care, Family Unification Program, SRO’s targeted at the homeless and other similar funding streams.

Applicants, who are admitted under Special Admissions, rather than from the waiting list, are maintained on a separate list.

Since 2010, HUD has awarded rental assistance under a special purpose voucher program type to serve non-elderly persons with disabilities (NED) to housing authorities across the country. DHNP was awarded 175 (NED) vouchers. In accordance with the Department of Justice Olmstead Settlement Agreement, DHNP requested and received a HUD waiver of 24 CFR 982.207(b) (3). Under this waiver, DHNP will implement a special admissions preference and set aside 15 special purposes NED vouchers for eligible individuals with intellectual/developmental disabilities referred by the Virginia Department of Behavioral Health
and Developmental Services (DBHDS). Those who fit the target population and meet the special admissions preference will be offered a voucher on a first come first serve basis. As voucher turnover occurs, applicants from DBHDS referral list will be used to replenish the voucher vacancy. These vouchers are administered in accordance with the rules and regulations that apply to any housing choice voucher including eligibility, unit inspection, and payment standards.

C. LOCAL PREFERENCES [24 CFR 982.207]

The DHNP uses the following preference criteria:

1) Displacement Preference:

This preference is extended to families who will be displaced or required to vacate housing as a result of an approved project base funded acquisition of property, for new construction. A certification letter from the Department of Housing and Neighborhood Preservation concerning the displacement is required.

2) Domestic Violence Preference:

Pursuant to the Violence Against Women Act (VAWA), this preference is available for individuals who are current victims of domestic violence, dating violence, sexual assault, or stalking. No applicant who has been a victim of domestic violence, dating violence, sexual assault, or stalking will be denied admission to the program. Victims of domestic violence who claim this preference must submit verification by completing the Certification of Domestic Violence, Dating Violence, or Stalking.

Being a victim of domestic violence is not a basis for denial of assistance or admission to assisted housing if the applicant otherwise qualifies for assistance or admission. DHNP shall request an applicant certify as a victim of abuse and that the individual is a bona fide victim of abuse. HUD form 50066 (http://www.hudclips.org/sub_nonhud/html/forms.htm) or any documentation from federal, state, tribal, territorial authority or local police or court record are acceptable documentation proving domestic violence. Supportive documentation may be required.

3) Tenant Based Rental Assistance Programs or Insufficient Funding Preference:

This preference is extended to any family participating in Federal, State, and City Tenant Based Rental Assistance programs in good standing and/or that has been terminated from its HCV program due to insufficient program funding.
4) **Elderly and/or Disability Preference:**

This preference is extended to a family whose head of household is at least 62 years of age or older, and/or a family which includes a person with a disability.

To receive the disability preference the DHNP will require appropriate documentation from a knowledgeable professional. An SSD award letter or other proof of eligibility from the Social Security Administration is acceptable.

5) **Homeless Preference:**

This preference is available for individuals who meet the definition of homeless as determined by the DHNP and/or HUD. Verification of homeless status should be identified on the “Documentation of Homelessness” form and completed by a professional associated with a third party agency i.e. Salvation Army Counselor, Case Worker, Clergy, Department of Human Services; Virginia Beach Police Department, Department of Housing & Neighborhood Preservation, any Virginia Beach non-profit organization that works with homeless populations.

The DHNP designates agencies for this purpose. Any other suitable agency, or organization, may provide verification.

6) **Residency Preference:**

This preference is granted to families who live, work, or have been hired to work in the City of Virginia Beach.

In order to verify that an applicant is a resident, the Department will require a minimum of two (2) of the following documents: rent payment receipts, executed leases, utility bills, employer or agency records, school records, drivers licenses, voters registration records and credit reports.

For families who have been hired to work in the City of Virginia Beach a statement from the employer will be required.

7) **Veteran:**

This preference is granted for a family whose head of household is an honorable or general discharged veteran of the U.S. Armed Forces, and who meets all other eligibility criteria.
8) **Families with Dependent Children:**

This preference is available for families with dependent children under 18 years old. A dependent is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: The head of household, spouse, co-head, foster children/adults and live in aides.

9) **Working Preference:**

This preference is for households where the head, spouse or sole member has been employed in their current job for at least 1 year. However, an applicant shall be given the benefit of the working family preference if the head and spouse, or sole member is age 62 or older, or is a person with disabilities.

DHNP will require a statement from the employer, or verification of the age or disability status of the head and spouse, or sole member.

**Preference points are as follows:**

1) Displacement       725 points
2) Victims of Domestic Violence     480 points
3) Tenant Based Rental Assistance Programs /Insufficient Funding 240 points
4) Elderly (62 or older) and/or Disability       70 points
5) Homeless       50 points
6) Residency       50 points
7) Veteran       30 points
8) Families with Children       25 points
9) Working       20 points

Date and time of receipt of a completed application: When there are families with the same amount of points, the date and time of the application determines the placement on the wait list. When there are no points, then the date and time of the application determines the placement on the wait list.
D. INCOME TARGETING

In accordance with the Quality Housing and Work Responsibility Act of 1998, each fiscal year DHNP will reserve a minimum of seventy-five percent of its HCV new admissions for families whose income does not exceed 30 percent of the area median income. HUD refers to these families as “extremely low-income families.” DHNP will admit families who qualify under the Extremely Low Income limit to meet the income-targeting requirement, regardless of preference.

DHNP’s income targeting requirement does not apply to low income families continuously assisted as provided for under the 1937 Housing Act. DHNP is also exempted from the requirement where it provides assistance to low income or moderate-income families entitled to preservation assistance under the tenant-based program because of a mortgage prepayment or opt-out.

E. INITIAL DETERMINATION OF LOCAL PREFERENCE QUALIFICATION
[24 CFR 982.207]

The method for selecting applicants from a preference category must leave a clear audit trail that can be used to verify that each applicant has been selected in accordance with this Administrative Plan.

DHNP will verify all preference claims at the time of selection of the waiting list.

If the preference verification indicates that an applicant does not qualify for the preference, the applicant will be returned to the waiting list without the local preference.

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

F. PREFERENCE AND INCOME TARGETING ELIGIBILITY [24 CFR 982.207]

Change in Circumstances

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

When an applicant claims an additional preference, he or she will be placed on the waiting list in the appropriate order determined by the newly claimed preference.
If preference has changed at eligibility determination and cannot be documented the applicant can no longer claim that preference.

If the family’s verified annual income, at final eligibility determination, does not fall under the Extremely Low Income limit and the family was selected for income targeting purposes before families with a higher preference, the family will be returned to the waiting list.

**Other Housing Assistance** [24 CFR 982.205(b)]

Other housing assistance means a federal, State or local housing subsidy, as determined by HUD, including public housing.

DHNP may not take any of the following actions because an applicant has applied for, received, or refused other housing: [24 CFR 982.205(b)]

- Refuse to list the applicant on DHNP’s waiting list for HCV assistance;
- Deny any admission preference for which the applicant is currently qualified;
- Change the applicant’s place on the waiting list based on preference, date and time of application, or other factors affecting selection under DHNP’s selection policy; or
- Remove the applicant from the waiting list.

However, DHNP may remove the applicant from the waiting list for HCV assistance if DHNP has offered the applicant assistance under the voucher program.

**G. ORDER OF SELECTION** [24 CFR 982.207(e)]

DHNP’s method for selecting applicants for a preference category leaves a clear audit trail that can be used to verify that each applicant has been selected in accordance with the method specified below:

1. Make sure all the updates (change of addresses) have been entered in the Housing Pro Database, before pulling applicants from the waiting list.

2. Determine the number of available applicants to select from the Housing Choice Voucher (HCV) Program waiting list.

3. Print list of entire waiting list.

4. Print the designated number of selected applicants from the waiting list. Prepare and process invitation letters, inviting candidates to a scheduled group briefing. Each invite letter has the following attachments:
• Documents to bring to the briefing list
• Disability Form (if required)
• Homelessness Form (if required)

5. Begin HUD Tracking Sheets.

6. Invite letters are prepared and mailed out at least 14 days prior to the scheduled group briefing.

7. Briefing forms, client file folders (invite letter, application, etc.), Exit Packages and Sign In Sheets are prepared for each briefing.

8. After each briefing Utility Clearances (Virginia Natural Gas, Dept. of Public Utilities and Dominion Virginia Power) are faxed to the utility companies and income verifications are mailed or faxed to the employers. Criminal Reports are conducted on all applicants and household members that are 18 years and older).

9. Update status from briefing on waiting list and HUD tracking tool. Then print waiting list.

10. After all clearances have passed, a meeting is schedule to issue Voucher and the Request for Tenancy Assistance form (RFTA).

11. The Program Coordinator will review of eligibility criteria, issue a voucher to the applicant, and distribute exit package.

12. Update HUD Tracking Sheet and submit results for Utilization

Local Preferences

Local preferences will be used to select families from the waiting list. Each preference is allocated points. The more preference points an applicant has, the higher the applicant’s place on the waiting list.

Among Applicants with Equal Preference Status

Among applicants with equal preference status, the list will be sorted by date and time within each preference group.

H. PREFERENCE DENIAL [24 CFR 982.207]
If DHNP denies a preference, the applicant will be notified in writing of the reasons for the denial of a preference. The applicant will remain on the waiting list without benefit of the preference.

If the applicant falsifies documents or makes false statements in order to qualify for any preference, they will be removed from the waiting list.

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

The top 5% of the waiting list will be contacted via a mailing inquiry to ensure that the waiting list is current and accurate. The mailing will ask for written confirmation of continued interest.

Applicants will be given 10 working days to respond to DHNP’s written waiting list inquiry. Applicants who fail to respond in writing will be removed from the waiting list.

An extension of 30 days to respond will be granted, if requested and needed as a reasonable accommodation for a person with a disability.

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

If a letter is returned with a forwarding address, it will be re-mailed to the address indicated and be treated as an initial mailing.

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless the Rental Housing Administrator or Program Coordinator determines there were circumstances beyond the person’s control.
INTRODUCTION

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

A. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402]

The DHNP does not determine who shares a bedroom/sleeping room. The DHNP standards for determining voucher size shall be applied in a manner consistent with Fair Housing guidelines.

For occupancy standards, an adult is a person 18 years of age or older or an emancipated minor.

All standards in this section relate to the number of bedrooms on the Voucher, not the family's actual living arrangements.

The unit size on the Voucher remains the same as long as the family composition remains the same, regardless of the actual unit size rented.

- One bedroom will generally be assigned for each two family members.

- A single pregnant woman with no other family members must be treated as a two-person family.

- Single person families shall be allocated one bedroom.

GUIDELINES FOR DETERMINING VOUCHER SIZE

<table>
<thead>
<tr>
<th>Voucher Size</th>
<th>Persons in Household</th>
<th>Maximum Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Minimum Number</td>
<td></td>
</tr>
<tr>
<td>0 Bedroom</td>
<td>1</td>
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</tr>
<tr>
<td>1 Bedroom</td>
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<td>5 Bedrooms</td>
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<td>10</td>
</tr>
<tr>
<td>6 Bedrooms</td>
<td>11</td>
<td>12</td>
</tr>
</tbody>
</table>
Chapter 5

OCCUPANCY STANDARDS
24 CFR 982.402, 982.403

B. EXCEPTIONS TO OCCUPANCY STANDARDS [24 CFR 982.403(a) & (b)]

In determining family unit size for a particular family, the DHNP may grant an exception to the established subsidy standards if the DHNP determines the exception is justified by the health, disability, relationship of family members or other personal circumstances. Such exceptions shall be applied uniformly.

Request for Exceptions to Occupancy Standards

The family may request a larger sized voucher than indicated by DHNP’s occupancy standards. Such request must be made in writing, or orally if unable to submit in writing, within five days of DHNP’s determination of bedroom size. The request must explain the need or justification for a larger bedroom and documentation verifying the need or justification will be required as appropriate.

Requests based on health related reasons must be verified by a medical professional.

IN THE EVENT OF AN ERROR MADE BY THE DHNP

If DHNP staff errs in the bedroom size designation, the family will be issued a voucher of the appropriate size.

Changes for Applicants

The voucher size is determined prior to the briefing by comparing the family composition to DHNP occupancy standards. If an applicant requires a change in the voucher size based on the requirements of DHNP’s occupancy standards, the above-referenced guidelines will apply.

Changes for Participants

DHNP and the participating HCV landlord/owner must approve the members of the family residing in the unit. The family must provide written approval to the DHNP Housing Specialist from the landlord/owner to add any additional family member before the new member occupies the unit. Exceptions include the births, adoptions, or court-awarded custody of children, in which case the family must inform DHNP’s staff within 5 days.

Under-housed Families

If a unit does not meet HQS space standards due to an increase in family size, (unit too small), DHNP will issue a new voucher of the appropriate size allowing the family to find appropriate unit. The DHNP will also notify the family of the circumstances under which an exception may be granted, such as:
• If a family with a disability is under-housed in an accessible unit.

**Over-housed Families**

Families who are over-housed due to changes in family composition will be issued a smaller bedroom size voucher 60 days prior to their next annual reexamination. The family may remain in the larger dwelling unit providing it is affordable for them to do so.

• If a family requires the additional bedroom because of a health problem, which has, been verified by the DHNP.

### C. UNIT SIZE SELECTED [24 CFR 982.402(c)]

The family may select a different size dwelling unit than that listed on the Voucher. However, there are three criteria to consider in determining whether the selected until will be approved by DHNP staff:

**Occupancy Limitation:** The family unit size as determined for a family under DHNP occupancy standard for a family assisted in the voucher program is based on the DHNP’s adopted payment standards. The payment standard for a family shall be the *lower of*:

- The payment standard amount for the family unit size (as per noted on the voucher; or
- The payment standard amount for the unit size rented by the family.

**Utility Allowance:** The utility allowance used to calculate the gross rent is based upon the lesser of, the size of the unit actually leased by the family, or the voucher size issued (24 CFR 982.517)(PIH 2014-25).

DHNP will use the actual size of the dwelling leased by the participant/family in cases where reasonable accommodation for a larger bedroom size has been approved. Note: Reasonably accommodation for a larger bedroom size is verified annually.

DHNP established a utility allowance scheduled on an annual basis. The utility allowance schedule is based upon actual rates and average consumption estimates over an estimated full year period divided equally into 12. DHNP classified utilities according to the following categories:

- Space heating
- Air conditioning
Chapter 5
OCCUPANCY STANDARDS
24 CFR 982.402, 982.403

Cooking

Water heating

Water consumption

Sewer

Trash Collection

Other electric

Tenant provided (refrigerator/range)

Other specified housing services.

As part of DHNP’s established allowance schedule, the unit type, unit size, and type of utility service is taken into consideration.

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

**HQS GUIDELINES FOR UNIT SIZE SELECTED**

<table>
<thead>
<tr>
<th>Unit Size</th>
<th>Maximum Number in Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 Bedroom</td>
<td>1</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>2</td>
</tr>
<tr>
<td>2 Bedrooms</td>
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<td>10</td>
</tr>
<tr>
<td>6 Bedrooms</td>
<td>12</td>
</tr>
</tbody>
</table>
INTRODUCTION

DHNP will use the methods as set forth in this Administrative Plan to verify and determine that family income at admission and at annual reexamination is correct. The accurate calculation of Annual Income and Adjusted Income will ensure that families are not paying more or less money for rent than their obligation under the Regulations.

This Chapter defines the allowable expenses and deductions to be subtracted from Annual Income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 5, Subparts E and F, and further instructions set forth in HUD Notices and Memoranda. The formula for the calculation of TTP is specific and not subject to interpretation. DHNP’s policies in this Chapter address those areas, which allow DHNP discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

A. INCOME AND ALLOWANCES [24 CFR 5.609]

**Income**: Includes all monetary amounts, which are received on behalf of the family. For purposes of calculating the Total Tenant Payment, HUD defines what is to be calculated and what is to be excluded in the Code of Federal Regulations. In accordance with this definition, all income, which is not specifically excluded in the regulations, is counted.

DHNP will use current circumstances to anticipate annual income, unless verification forms indicate an imminent change (e.g., verification indicates an increase of 2.4 percent in Social Security benefits beginning on January 1).

Calculating projected annual income by annualizing current income (and subsequently conducting an interim reexamination if income changes).

**Annual Income** is defined as the gross amount of income anticipated to be received by the family during the 12 months after certification or recertification. Gross income is the amount of income prior to any HUD allowable expenses or deductions, and does not include income, which has been excluded by HUD. Annual income is used to determine whether or not applicants are within the applicable income limits. When calculating annual income, round (over .50 rounds up and under .50 rounds down) at the end of the calculation.

**Determination of Income from Assets**

HUD requires the DHNP include in the calculation of annual household income of any interest or dividends earned on assets held by the family. Assets include real or personal property. Cash withdrawal or assets from an investment is included as income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net assets in excess of $5000.00 annual income shall include the greater of the actual income derived from the net family assets or a percentage of the value of such assets based on the current passbook savings rates determined by HUD.
Chapter 6
FACTORS RELATED TO TOTAL TENANT PAYMENT AND FAMILY SHARE DETERMINATION
24 CFR Part 5 Subparts E and F; 982.153, 982.551]

Assets include: Amounts in savings/checking accounts, stocks, bonds, savings certificates, money market funds, and other investments accounts, Equity in real property or other capital investments. The cash value of trusts that may be withdrawn by the family, IRA, KEOGH and similar retirement pension funds, Assets owned by multiple persons yet allow unrestricted access to the participant/applicant, lump sum receipts, personal property held as investments (e.g. jewelry, coins), cash value of insurance policies, assets disposed of less than fair market value.

DHNP will use the cash value method approach when determining equity in real property and its actual anticipated income. Real property includes land or real estate owned by the participant/applicant household. Equity is equal to the market value less any mortgage secured against the property.

1. Market Value – Loan (Mortgage) = Equity

2. Equity – Expense to convert to cash = Cash Value

Expenses to convert to cash include the following costs:
- Penalties for premature withdrawals
- Broker and legal fees
- Settlement costs

Exclusions from Annual Income:

The following sources are excluded from income determination:

- Value of food stamps
- Any payment received involving Indian Settlements or Trusts
- Refund payments received for Earned Income Tax Credits (EITC)
- Any allowance paid the provision to a child suffering from Spina Bifida
- Payments received after 01/01/89 from the Agent Orange Fund
- Allowances, earnings and payments to Americorp participants (42 U.S.C. 12637 (d)
- Heating assistance
- Payments received from Domestic Volunteer Services Programs (e.g. VISTA & RSVP)
- Payments received from programs under the Title V of the Older American Act
- Any amount of compensation under the Victims of Crime Act
- Medicare Prescription Drug Plan payments (Part D)
- Any income from children (under 17)
- Adoption Assistance Payments
- Development Disability Care Payments
- Tuition and Fee Expenses from Financial Aid 24 CFR 5.609(b)(9)
- Payments received for foster care
- Special Armed Forces Pay
- Resident Service Stipends
Chapter 6
FACTORS RELATED TO TOTAL TENANT PAYMENT AND FAMILY SHARE DETERMINATION
24 CFR Part 5 Subparts E and F; 982.153, 982.551]

- Earnings which exceed $480 for full time students
- HUD funded Training Program
- Incremental Income from Federal State or Local Employment Training Program
- Earned Income Disallowance for persons with disabilities
- Amount received of crime victim compensation under the Victims of Crime Act
- EID income exclusions
- Lump sum additions to family assets
- Medical reimbursements
- Holocaust Reparation Payments
- Sporadic income (income which is neither reliable nor periodic)
- Refunds and rebates for property taxes

Student Financial Assistance (24 CFR 5.609(c)(9)).

The financial assistance an individual receives in excess of tuition and other required fees and charges are considered income. Financial assistance received of persons over 23 years of age with dependent children for the purpose of income determination is not considered income. Expenses relating to attending an institution of higher education are not included as income. Excludes include but is not limited to, room and board, books, supplies, meals plans, transportation and parking, and student health plans.

Adjusted Income is defined as the annual income minus any HUD allowable expenses and deductions.

Allowable Deductions

HUD has five allowable deductions from annual income:

- Dependent Allowance: $480 each for family members (other than the head or spouse who are minors, and for family members who are 18 and older who are full-time students or who are disabled.
- Elderly Disabled Allowance: $400 per family for families whose head or spouse are 62 or over, or disabled.
- Allowable Medical Expenses: Deducted for all family members of an eligible elderly/disabled family.
- Child Care Expenses: Deducted for the care of children under 13 when childcare is necessary to allow an adult member to work, attend school, or actively seek employment.
- Allowable Disability Assistance Expenses: Deducted for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult family member to work.
B. DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS FOR PERSONS WITH DISABILITIES [24 CFR 5.617; 982.201(b) (3)]

The annual income for qualified families may not be increased as a result of increases in earned income of a family member who is a person with disabilities beginning on the date on which the increase in earned income begins and continuing for a cumulative 12-month period. After the disabled family receives 12 cumulative months of the full exclusion, annual income will include a DHNP phase-in of half the earned income excluded from annual income.

A family qualified for the earned income exclusion is a family that is receiving tenant-based rental assistance under the Housing Choice Voucher Program; and

- Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;
- Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or
- Whose annual income increases, as a result of new employment or increased earnings of a family member during or within six months after receiving assistance, benefits or services under any State program for TANF if the total amount over a six-month period is at least $500. The qualifying TANF assistance may consist of any amount of monthly income maintenance, and/or at least $500 in such TANF benefits and services as one-time payments, wage subsidies and transportation assistance.

The HUD definition of "previously unemployed" includes a person with disabilities who has earned in the previous 12 months no more than the equivalent earnings for working 10 hours per week for 50 weeks at the minimum wage. Minimum wage is the prevailing minimum wage in the State or locality.

The HUD definition of economic self-sufficiency program is: any program designed to encourage, assist, train or facilitate economic independence of assisted families or to provide work for such families. Such programs may include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, or any other program necessary to ready a Tenant to work (such as substance abuse or mental health treatment).

Qualifying increases are any earned income increases of a family member who is a person with disabilities during participation in an economic self-sufficiency or job-training program and not increases that occur after participation, unless the training provides assistance, training or mentoring after employment.

The amount that is subject to the disallowance is the amount of incremental increase in income of a family member who is a person with disabilities. The incremental increase in income is calculated by comparing the amount of the disabled family member’s income before the beginning of qualifying
employment or increase in earned income to the amount of such income after the beginning of employment or increase in earned income.

**Initial Twelve-Month Exclusion**

During the cumulative 12-month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, DHNP will exclude from annual income of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over the prior income of that family member.

**Second Twelve-Month Exclusion and DHNP phase-in**

During the second cumulative 12-month period after the expiration of the initial cumulative 12-month period referred to above, DHNP must exclude from annual income of a qualified family 50 percent of any increase in income of a family member who is a person with disabilities as a result of employment over income of that family member prior to the beginning of such employment.

**Maximum Four-Year Disallowance**

The earned income disallowance is limited to a lifetime 48-month period for each family member who is a person with disabilities. For each family member who is a person with disabilities, the disallowance only applies for a maximum of 12 months of full exclusion of incremental increase, and a maximum of 12 months of DHNP phase-in exclusion during the 48-month period starting from the date of the initial exclusion.

If the period of increased income does not last for 12 consecutive months, the disallowance period may be resumed at any time within the 48-month period, and continued until the disallowance has been applied for a total of 12 months of each disallowance (the initial 12-month full exclusion and the second 12-month DHNP phase-in exclusion).

No earned income disallowance will be applied after the 48-month period following the initial date the exclusion was applied.

**Applicability to Child Care Expense Deductions**

The amount deducted for childcare necessary to permit employment shall not exceed the amount of employment income that is included in annual income. Therefore, for families entitled to the earned income disallowance, the amounts of the full and DHNP phase-in exclusions from income shall not be used in determining the cap for childcare deductions.

**Tracking the Earned Income Exclusion**

The earned income exclusion will be reported on the HUD 50058 form. Documentation will be included in the family’s file to show the reason for the reduced increase in rent.

Such documentation will include:

- Date the increase in earned income was reported by the family
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- Name of the family member whose earned income increased
- Reason (new employment, participation in job training program, within 6 months after receiving TANF) for the increase in earned income
- Amount of the increase in earned income (amount to be excluded)
- Date the increase in income is first excluded from annual income
- Date(s) earned income ended and resumed during the initial cumulative 12-month period of exclusion (if any)
- Date the family member has received a total of 12 months of the initial exclusion
- Date the 12-month DHNP phase-in period began
- Date(s) earned income ended and resumed during the second cumulative 12-month period (DHNP phase-in) of exclusion (if any)
- Date the family member has received a total of 12 months of the DHNP se-in exclusion
- Ending date of the maximum 48-month (four year) disallowance period (48 months from the date of the initial earned income disallowance)

DHNP will maintain a tracking system to ensure correct application of the earned income disallowance.

Inapplicability to Admission

The earned income disallowance is only applied to determine the annual income of families who are Tenants in the Housing Choice Voucher Program, and therefore does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

C. MINIMUM RENT [24 CFR 5.616]

Minimum Rent

"Minimum rent" is $50.00. Minimum rent refers to the Minimum Total Tenant Payment and includes the combined amount a family pays towards rent and/or utilities when it is applied.

Hardship Requests for an Exception to Minimum Rent [24 CFR 5.630]

DHNP recognizes that in some circumstances even the minimum rent may create a financial hardship for families. DHNP will review all relevant circumstances brought to DHNP’s attention regarding financial hardship as it applies to the minimum rent. The following section states DHNP’s procedures and policies in regard to minimum rent financial hardship as set forth by the Quality Housing and Work Responsibility Act of 1998. HUD has defined circumstances under which a hardship could be claimed. (24 CFR 5.630)

Criteria for Hardship Exception

City of Virginia Beach
Department of Housing and Neighborhood Preservation
In order for a family to qualify for a hardship exception, the family’s circumstances must fall under one of the following HUD hardship criteria:

- The family has lost eligibility or is awaiting an eligibility determination for Federal, State, or local assistance, including a family with a member who is a non-citizen lawfully admitted for permanent residence under the Immigration and Nationality Act, and who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.
- The family would be evicted as a result of the imposition of the minimum rent requirement;
- The income of the family has decreased because of changed circumstances, including loss of employment, death in the family, or other circumstances as determined by DHNP or HUD
- When a death has occurred in the family; and
- Other circumstances determined by the responsible entity or HUD

**DHNP Notification to Families of Right to Hardship Exception**

DHNP will notify all families subject to minimum rents of their right to request a minimum rent hardship exception. "Subject to minimum rent" means the minimum rent was the greatest figure in the calculation of the greatest of 30% of monthly-adjusted income, 10% of monthly income, minimum rent or welfare rent.

DHNP notification will advise families that hardship exception determinations are subject to DHNP review and hearing procedures.

DHNP will review all family requests for exception from the minimum rent due to financial hardships.

All requests for minimum rent hardship exceptions are required to be in writing and must include a statement of the family hardship that qualify the family for an exception.

DHNP will use its standard verification procedures to verify circumstances, which have resulted in financial hardship.

**Suspension of Minimum Rent**

DHNP will grant the minimum rent exception to all families who request it, effective the first of the following month.

The minimum rent will be suspended until DHNP determines whether the hardship is covered by statute and temporary or long term.

"Suspension" means that DHNP must not use the minimum rent calculation until DHNP has made this decision.
During the minimum rent suspension period, the family will not be required to pay a minimum rent and the housing assistance payment will be increased accordingly.

If the responsible entity determines there is no qualifying financial hardship exemption, the responsible entity must reinstate the minimum rent, including back rent owed from the beginning of the suspension. The family must pay the back rent on terms and conditions established by the responsible entity.

**Temporary Hardship [24 CFR 5.630]**

If DHNP determines that the hardship is temporary, a minimum rent will not be imposed for a period of up to 90 days from the date of the family’s request. At the end of the temporary suspension period, a minimum rent will be imposed retroactively to the time of suspension.

**Long-Term Duration Hardships [24 CFR 5.616(c) (3)]**

If DHNP determines that there is a qualifying long-term financial hardship, DHNP must exempt the family from the minimum rent requirements for as long as the hardship continues. The exemption from minimum rent shall apply from the first day of the month following the family's request for exemption.

**D. DEFINITION OF TEMPORARILY/PERMANENTLY ABSENT**

[24 CFR 982.54(d) (10), 982.551]

The DHNP must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, the DHNP must count the income of the spouse or the head of the household if that person is temporarily absent, even if that person is not on the lease.

"Temporarily absent" is defined as away from the unit for 30 or less consecutive days. “Permanently absent” is defined as away from the unit for more than 30 consecutive days.

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

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

**Absence of Any Member**

Any member of the household will be considered permanently absent if he/she is away from the unit for 30 consecutive days except as otherwise provided in this Chapter.

**Absence due to Medical Reasons**

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, the DHNP will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently
confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 60 consecutive days, the family member will not be considered permanently absent.

If the person who is determined to be permanently absent is, the sole member of the household, assistance will be terminated in accordance with the DHNP’s "Absence of Entire Family" policy.

**Absence Due to Full-time Student Status**

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

- A student (other than head of household or spouse) who attends school away from home but lives with the family during school recesses may, at the family's choice, be considered either temporarily or permanently absent. If the family decides that the member is permanently absent, income of that member will not be included in total household income, the member will not be included on the lease, and the member will not be included for determination of voucher size.

- Full time students who attend school away from the home and live with the family during school recess will be considered temporarily absent from the household.

**Absence due to Incarceration**

Any member of the household will be considered permanently absent if he/she is incarcerated for 30 days. If the head of household is incarcerated, DHNP will determine the eligibility of the remaining members.

DHNP will verify if the reason for incarceration is for drug-related or violent criminal activity and determine course of action.

**Absence of Children due to Placement in Foster Care**

If the family includes a child or children temporarily absent from the home due to placement in foster care, the DHNP will determine from the appropriate agency when the child/children will be returned to the home.

If the time period is to be greater than three months from the date of removal of the child/children, the voucher size will be reduced. If all children are removed from the home permanently, the voucher size will be reduced in accordance with the DHNP's occupancy standards.

**Absence of Entire Family**

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

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

If the entire family is absent from the assisted unit for more than 30 consecutive days, the unit will be considered to be vacated and the assistance will be terminated.

"Absence" means that no family member is residing in the unit.

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

- Write letters to the family at the unit
- Telephone the family at the unit
- Interview neighbors
- Verify if utilities are in service
- Check with the post office

A person with a disability may request an extension of time as an accommodation, provided that the extension does not go beyond the HUD-allowed 180 consecutive calendar days limit.

If the absence which resulted in termination of assistance was due to a person's disability, and DHNP can verify that the person was unable to notify the DHNP in accordance with the family's responsibilities, and if funding is available, DHNP may reinstate the family as an accommodation if requested by the family, as long as the period was within 180 days.

**Caretaker for Children**

If both parent remains in the household, and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, the DHNP will treat that adult as a visitor for the first 30 days

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

If the appropriate agency cannot confirm the guardianship status of the caretaker, the DHNP will review the status at 15-day intervals.

If custody or legal guardianship has not been awarded by the court, but the action is in process, the DHNP will secure verification from social services staff or the attorney as to the status.

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

If a member of the household is subject to a court order that restricts him/her from the home for more than 60 months, the person will be considered permanently absent.

**Visitors**
Any adult not included on the HUD 50058 who has been in the unit more than 30 days in a year without DHNP approval will be considered to be living in the unit as an unauthorized household member.

Absence of evidence of any other address will be considered verification that the visitor is a member of the household.

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

Use of the unit address as the visitor's current residence for any purpose shall be construed as permanent residence.

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

In a joint custody arrangement, if the minor is in the household less than 90 days per year, the minor will be considered an eligible visitor and not a family member.

**Reporting Additions to Owner and DHNP**

Reporting changes in household composition to the DHNP is both a HUD and a DHNP requirement.

The family is required to obtain written approval from the landlord, and DHNP approval prior to adding any other family member as an occupant of the unit. The family must inform the DHNP of the birth, adoption or court-awarded custody of a child within five days. If any new family member is added, the income of the additional member will be included in the family income as applicable under HUD regulations.

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

In the event that a visitor continues to reside in the unit after the maximum allowable time, the family must report it to the DHNP in writing within five days of the maximum allowable time.

An interim reexamination will be conducted for any additions to the household.

**Reporting Absences to the DHNP**

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

If a family member leaves the household, the family must report this change, provide verification of new address to the DHNP, in writing, within 5 days of the change, and certify as to whether the member is temporarily absent or permanently absent.

The DHNP will conduct an interim in accordance with the interim policy.
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E. AVERAGING INCOME and Conducting Interims
When annual income cannot be anticipated for a full twelve months, the DHNP will annualize current income and conduct an interim reexamination if income is $6000.00 (gross) a year or more.
If there are bonuses or overtime which the employer cannot anticipate for the next twelve months, bonuses and overtime received the previous year will be used.

F. MINIMUM INCOME
There is no minimum income requirement.
Families who report zero income are required to certify their income status quarterly. Enterprise Income Verification (EIV) reports obtained for the client will be reviewed at this time as well.
Families that report zero income will be required to report to the DHNP office for monthly appointments and sign affidavits attesting to no income, and provide information regarding their means of basic subsistence, such as food, utilities, transportation, etc. A family’s repeated failure to comply with this process may result in termination of the Housing Choice Voucher.
If the family’s expenses exceed their known income, the DHNP will make inquiry of the head of household as to the nature of the family’s accessible resources.

G. INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME
[24 CFR 982.54(d) (10)]
If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, the DHNP will calculate the income by using the following methodology and use the income figure, which would result in a lower payment by the family:

• Exclude the income and deductions of the member if his/her income goes directly to the facility, or include the income and deductions of the member if his/her income goes to a family member.

H. REGULAR CONTRIBUTIONS AND GIFTS [24 CFR 5.609]
Regular contributions and gifts received from persons outside the household are counted as income for calculation of the Total Tenant Payment.
Any contribution or gift received every month or more frequently will be considered a "regular" contribution or gift. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See "Verification Procedures," Chapter 7 for further definition.)
If the family's expenses exceed its known income, the DHNP will inquire of the family regarding contributions and gifts.
I. **ALIMONY AND CHILD SUPPORT** [24 CFR 5.609]

DHNP encourages families to apply for child support.

Regular alimony and child support payments are counted as income for calculation of Total Tenant Payment.

DHNP will count the actual amount of support being received by the household. If the amount of child support or alimony received is less than the amount awarded by the court, DHNP will use the lesser amount. Actual payments received for the last twelve months will be used, including payments that vary from month to month, irregular payments, and lump sums.

DHNP will accept verification that the family is receiving an amount lesser than the award if DHNP receives verification from the agency responsible for enforcement or collection.

For child support or alimony not being paid through a government agency, DHNP will accept the following documents as proof of payment: court documents, notarized statement from the payee stating the amount and frequency of payment, and/or self-certification from the resident responsible for the children.

It is the family's responsibility to supply a certified copy of the divorce decree.

All unusual cases involving child support will be dealt with on a case-by-case basis and approved by the HCV Coordinator.

J. **LUMP-SUM RECEIPTS** [24 CFR 5.609]

Lump-sum additions to Family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, are not included in income but may be included in assets.

Lump-sum payments caused by delays in processing periodic payments such as unemployment or welfare assistance are counted as income. Lump sum payments from Social Security or SSI are excluded from income, but any amount remaining will be considered an asset. Deferred periodic payments, which have accumulated due to a dispute, will be treated the same as periodic payments, which are deferred due to delays in processing.

In order to determine amount of retroactive Tenant rent that the family owes as a result of the lump sum receipt, DHNP uses a calculation method, which calculates retroactively depending on the circumstances.

**Retroactive Calculation Methodology**

The DHNP will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer.
The DHNP will determine the amount of income for each certification period, including the lump sum, and recalculate the Tenant rent for each certification period to determine the amount due the DHNP.

The family has the choice of paying this "retroactive" amount to the DHNP in a lump sum, or at DHNP’s option, the DHNP may enter into a Repayment Agreement with the family.

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

K. CONTRIBUTIONS TO RETIREMENT FUNDS - ASSETS [24 CFR 5.603(d)]

Contributions to company retirement/pension funds are handled as follows:

- While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment.
- After retirement or termination of employment, count any amount the employee elects to receive as a lump sum.

L. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE [24 CFR 5.603(d) (3)]

The DHNP must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. The DHNP will count the difference between the market value and the actual payment received in calculating total assets.

Assets disposed of as a result of foreclosure or bankruptcies are not considered assets disposed of for less than fair market value. Assets disposed of because of a divorce or separations are not considered assets disposed of for less than fair market value.

The DHNP’s minimum threshold for counting assets disposed of for less than Fair Market value is $500. If the total value of assets disposed of within a one-year period is less than $500, they will not be considered an asset.

M. CHILD CARE EXPENSES [24 CFR 5.603] [HCV GB 5-29]

The amount of Child Care expenses anticipated to be paid for children under 13 may be deducted from annual income, only to the extent such amounts are not reimbursed if they enable an adult to work or attend school, or to actively seek employment.

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

In cases where an adult family member is available to provide childcare, the expense will be allowed as a deduction when the family chooses a non-household member provider. The deductions for childcare expenses are based on the following guidelines:
**Childcare to work:** The maximum childcare expense allowed cannot exceed the amount earned by the person enabled to work which is included in the family's annual income. When more than one family member is working the "person enabled to work" will be the adult member of the household who earns the least amount of income from working.

**Childcare for school:** The number of hours claimed for childcare may not exceed the number of hours the family member is attending school, including reasonable travel time to and from school.

**Amount of Expense:** DHNP will survey the local care providers in the community/collect data as a guideline. If the hourly rate materially exceeds the guideline, the DHNP may calculate the allowance using the guideline.

**N. MEDICAL EXPENSES** [24 CFR 5.609(a) (2), 5.603]

When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide.

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

Proration of assistance must be offered to any "mixed" applicant or Tenant family. A "mixed" family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

**Prorated Assistance Calculation**

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percent of the family members who actually are eligible. Calculations for each housing program are performed on the HUD 50058 form.

**P. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS**

DHNP will not reduce the rental contribution for families whose welfare assistance is reduced specifically because of:

- fraud by a family member in connection with the welfare program; or
- failure to participate in an economic self-sufficiency program; or
- noncompliance with a work activities requirement

However, the DHNP will reduce the rental contribution if the welfare assistance reduction is a result of:

- The expiration of a lifetime time limit on receiving benefits; or
- A situation where a family member has not complied with other welfare agency requirements; or
\begin{itemize}
  \item 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.
\end{itemize}

Imputed welfare income is the amount of annual income not actually received by a family as a result of a specified welfare benefit reduction that is included in the family’s income for rental contribution.

Imputed welfare income is not included in annual income if the family was not an assisted resident at the time of sanction.

The amount of imputed welfare income is offset by the amount of additional income a family receives that begins after the sanction was imposed.

When additional income is at least equal to the imputed welfare income, the imputed welfare income is reduced to zero.

**Verification Before Denying a Request to Reduce Rent**

The DHNP will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance with economic self-sufficiency or work activities requirements before denying the family's request for rent reduction.

The welfare agency, at the request of the DHNP, will inform the DHNP of:

\begin{itemize}
  \item amount and term of specified welfare benefit reduction for the family;
  \item reason for the reduction; and
  \item subsequent changes in term or amount of reduction.
\end{itemize}

**Cooperation Agreements**

DHNP has a written cooperation agreement in place with the local welfare agency, which assists the DHNP in obtaining the necessary information regarding welfare sanctions.

**Q. FIRST MONTH FREE RENT**

When, on an initial move-in, an owner is offering the first month’s rent free, DHNP will enter an offsetting check adjustment for the first month’s HAP remittance to the owner thereby in effect remitting a zero HAP amount for the first month’s rent.

**R. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS**

[24 CFR 982.517]
The same Utility Allowance Schedule is used for all tenant-based programs.

The utility allowance is intended to cover the cost of utilities not included in the rent. The allowance is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. Allowances are not based on an individual family's actual energy consumption.

The DHNP’s utility allowance schedule, and the utility allowance for an individual family, must include the utilities and services that are necessary in the locality to provide housing that complies with the housing quality standards.

The DHNP may not provide any allowance for non-essential utility costs, such as costs of cable or satellite television.

The DHNP must classify utilities in the utility allowance schedule according to the following general categories: space heating, air conditioning, cooking, water heating, water, sewer, trash collection other electric, refrigerator (for tenant supplied refrigerator), range (cost of tenant-supplied range); and other specified services.

An allowance for tenant-paid air conditioning will be provided in those cases where the majority of housing units in the market have central air conditioning or are wired for Tenant installed air conditioners [24 CFR 982.517; 24 CFR 982.519].

The DHNP will acquire an updated utility allowance schedule from a HUD approved vendor (i.e. Nelrod). DHNP will review and implement the utility allowance schedule annually. If the review finds a utility rate has changed by 10 percent or more since the last revision of the utility allowance schedule, the schedule will be revised to reflect the new rate. Revised utility allowances will be applied in a Tenant family's rent calculation at their next reexamination.

Where families provide their own range and refrigerator, the DHNP will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance. Allowances for ranges and refrigerators will be based on the lesser of the cost of leasing or purchasing the appropriate appliance over a 36-month period.

On request from a family that includes a person with disabilities, the DHNP must approve a utility allowance which is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation in accordance with 24 CFR part 8 to make the program accessible to and usable by the family member with a disability.

Where the calculation on the HUD 50058 results in a utility reimbursement payment due the family [24 CFR 982.514(b)], the DHNP will provide a utility reimbursement payment for the family each month. The check will be made out directly to the head of household. However, if the family has repeated utility interruptions for non-payment of utility bills, DHNP may opt to pay the reimbursement directly to the utility company.

As a condition of Voucher Issuance, DHNP requires each Head of Household pass a utility clearance to include gas, electric, water and sewage as relevant. Assistance will be denied if it is confirmed that the Head of Household is unable to have utilities turned on in his/her name. If denied for this reason the applicant will be offered the option of returning to the Waiting List.
In calculating a utility allowance schedule, the DHNP will utilize industry standard software approved and acceptable to the Department of Housing and Urban Development.
INTRODUCTION

HUD regulations require that the factors influencing eligibility and Total Tenant Payment/Family Share be verified by DHNP. DHNP staff will obtain written verification from independent sources whenever possible and will document participant files whenever third party verifications are not possible as to why third party verification was impossible to obtain.

Applicants and program participants must provide true and complete information to DHNP whenever it is requested. DHNP's verification requirements are designed to maintain program integrity. This chapter explains DHNP's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in family composition. DHNP will obtain proper authorization from the family before requesting information from independent sources.

A. METHODS OF VERIFICATION AND TIME ALLOWED [24 CFR 982.516]

DHNP will verify information through the four methods of verification acceptable to HUD in the following order:
1. Up-Front Income Verification (UIV) via the Enterprise Income Verification (EIV) system
2. Third-Party Written
3. Third-Party Oral
4. Review of Documents
5. Certification/Self-Declaration

DHNP will allow two weeks for return of third-party verifications before going to the next method. DHNP will document the file as to why third party written verification was not used.

For applicants and participants, verifications are valid for 60 days from date of receipt.

Up-Front Income Verification

Final rule dated January 27, 2009 revises HUD’s public and assisted housing program regulations to implement the UIV process and to require the use of HUD’s EIV system by public housing agencies (PHAs), and multifamily housing owners and management agents, when verifying the employment and income of program participants.

Up-Front Income Verification (UIV) is defined as direct electronic or on-line access to income information of applicants or participants in the HCV program. This access may be provided by local, state, or federal government agencies or their contractual representatives.

Verification procedures are:

(1) UIV documentation is obtained through electronic or on-line access.
(2) The applicant/participant provides income documentation, such as pay stubs, employer payment records, or other forms of documentation.
(3) A comparison of the UIV and applicant/participant documentation is made:
(a) If the difference is less than $2400 annually, then the UIV documentation is considered the verified income for subsidy determination purposes. The applicant/customer will be informed of the determination to use UIV and will be afforded the opportunity to dispute the UIV amount. Any disputes will be resolved through third party verification.

(b) If the difference is equal to or more than $200 Dollars per month, or $2400 annually, [HUD Guidelines for Projecting Annual Income When UIV Data is Available-HUD website, April 2004], then the required next verification procedures is third party.

Applicant/participant supplied documentation must be current and include one-month verification of earnings. If income fluctuates, at least three (3) months of income verification must be submitted. For example, an applicant/participant who is working and is compensated every two weeks must provide both consecutive pay stubs covering four weeks (or one month) of working income. If the difference between paychecks is greater than $25, income will be considered fluctuating, and DHNP will request at least 3 months of income verification to determine average monthly income.

DHNP may choose to use either actual past income or projected future income. DHNP may choose to use actual past income will use the most recent 12 months of income information available in EIV. The program participant is no longer required to provide third party documentation (e.g., paystubs, payroll summary report, unemployment monetary benefit notice). DHNP will continue to verify income from sources not available in EIV. However, DHNP must use the same time period for both wage and non-wage income. Participants who fail to provide documentation for recertification will be subject to termination of their voucher subsidy.

**Third-Party Written Verification**

Third-party verification is used to verify information directly with the source. Third-party written verification forms will be processed via first class mail, facsimile, or electronically. The family will be required to sign an authorization for the information source to release the specified information.

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

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

DHNP will accept verifications in the form of computerized printouts delivered by the family from the following agencies:

- Social Security Administration
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24 CFR Part 5, Subparts B, D, E, F and H, 24 CFR 5.657; 24 CFR 982.158

• Veterans Administration
• Welfare Assistance
• Unemployment Compensation Board
• City or County Courts
• Child Support Agencies
• Internal Revenue Service or state/local revenue agencies.

Third-Party Oral Verification

Oral third-party verification will be used when written third-party verification is delayed or not possible. When third-party oral verification is used, staff will be required to note in the customer notes screen the person contacted, the date of the conversation, the facts provided, and the telephone number of the contact. If provided by telephone, DHNP must originate the call requesting oral third-party verification. If oral third party verification is not available, DHNP will compare the information to any documents provided by the Family.

Review of Documents

Any document used for verification must be the original (not photocopies) and generally must be dated within 60 calendar days of the date they are provided to the HA. The documents must not be damaged, altered or in any way illegible.

Printouts from web pages are considered original documents.

The DHNP staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed/received.

Any family self-certifications must be made in a format acceptable to the DHNP and/or must be signed in the presence of a DHNP representative or a notary public.

In the event that third-party written or oral verification is unavailable, or the information has not been verified by the third party within two weeks, DHNP will document the customer notes screen accordingly and utilize documents provided by the family as the primary source if the documents provide complete information.

All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family’s file in sufficient detail. Documentation will be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.
All such documents will be photocopied and retained in the applicant file. In cases where documents are viewed which cannot be photocopied, staff viewing the document will note in the customer notes screen the date, place, contact, contact phone number, and type of document viewed.

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

- Printed wage stubs
- Computer print-outs from the employer
- Signed letters (provided that the information is confirmed by phone)
- Other documents noted in this Chapter as acceptable verification

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

DHNP will delay the processing of an application pending proper verification

**Self-Certification/Self-Declaration**

When verification cannot be made by third-party verification or review of documents, families will be required to submit a self-certification.

Self-certification means a notarized statement/affidavit/certification/statement under penalty of perjury.

DHNP may accept a family’s declaration of the amount of assets of less than $5,000 and the amount of income expected to be received from those assets. The DHNP’s application and reexamination documentation, which is signed by all adult family members can serve as the declaration. the PHAs does not need to request supporting documentation (e.g. bank statements) from the family to confirm the assets. Where the family has net family assets in excess of $5000, the DHNP will obtain supporting documentation (e.g. bank statements) from the family to confirm the assets.

**B. RELEASE OF INFORMATION [24 CFR 5.230]**

Adult family members will be required to sign the HUD 9886 Release of Information/Privacy Act form.

In addition, family members will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information/Privacy Act Notice, such as the DHNP Family Obligations form.
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Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance.

C. COMPUTER MATCHING

For some time, HUD has conducted a computer matching initiative to independently verify resident income. HUD can access income information and compare it to information submitted by DHNP on the 50058 form. HUD can disclose Social Security information to DHNP, but is precluded by law from disclosing Federal tax return data to DHNP. If HUD receives information from Federal tax return data indicating a discrepancy in the income reported by the family, HUD will notify the family and DHNP of the discrepancy. The family is required to disclose this information to DHNP (24 CFR 5.240). HUD's letter to the family will also notify the family that HUD has notified DHNP in writing that the family has been advised to contact DHNP. HUD will send DHNP a list of families who have received "income discrepancy" letters.

Within ten days of DHNP receiving notification from HUD that a family has been sent an "income discrepancy" letter, DHNP will contact the participant by registered letter asking the family to promptly furnish any letter or other notice by HUD concerning the amount or verification of family income.

When the family provides the required information, DHNP will verify the accuracy of the income information received from the family, review DHNP's interim recertification policy, will identify unreported income, will charge retroactive rent as appropriate, and change the amount of rent or terminate assistance, as appropriate, based on the information.

If there is rent owed to DHNP, the family will be warned in writing concerning the reporting of all income to DHNP, and will be directed to contact their Housing Specialist to review their case and income.

If family fails to respond to DHNP within 10 days of mailing the certified letter, DHNP will send a second certified letter to the head of household, warning of the consequences if the family failure to contact DHNP within 10 days of the letter date.

If the family fails to respond to the second certified letter, DHNP will immediately suspend the family’s voucher subsidy and send a third certified letter requesting response with ten days of the letter date and advising the participant that failure to respond will result in termination from the program.

If the family fails to respond to the third certified letter, the family will be terminated from the program.
If the family claims a letter from HUD was not received, DHNP will provide a copy of the letter received from HUD.

If participant does receive a discrepancy letter from HUD and notifies DHNP of the same:

- DHNP will set up a meeting with the family.
- If the family fails to attend the meeting, DHNP will reschedule the meeting.
- If the family fails to attend the second meeting, DHNP will send a termination warning.
- The family must bring the original HUD discrepancy letter to DHNP.
- If participant disagrees with the Federal tax data contained in the HUD discrepancy letter, DHNP will ask the participant to provide documented proof that the tax data is incorrect.
- If the participant does not provide documented proof, DHNP will obtain proof to verify the Federal tax data using third party verification.

D. ITEMS TO BE VERIFIED [24 CFR 982.516]

- All income not specifically excluded by the regulations.
- Full-time student status including High School students who are 18 or over.
- Current assets including assets disposed of for less than fair market value in preceding two years.
- Child care expense where it allows an adult family member to be employed, to actively seek work, or to further his/her education.
- Total medical expenses of all family members in households whose head or spouse is elderly or disabled.
- Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family, which allow an adult family member to be employed.
- Disability for determination of preferences, allowances, or deductions.
- U.S. citizenship/eligible immigrant status
- Social security numbers for all family members over 6 years of age or older who have been issued a social security number.
- "Preference" status
- Familial/Marital status when needed for head or spouse definition.
- Verification of Reduction in Benefits for Noncompliance:

DHNP will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance before denying the family's request for rent reduction.

E. VERIFICATION OF INCOME [24 CFR 982.516]

This section defines the methods DHNP will use to verify various types of income.
**Employment Income**
Verification forms request the employer to specify the:

- Dates of employment
- Amount and frequency of pay
- Date of the last pay increase
- Likelihood of change of employment status and effective date of any known salary increase during the next 12 months
- Year to date earnings
- Estimated income from overtime, tips, bonus pay expected during next 12 months

Acceptable methods of verification include, in this order:

1. Employment verification form completed by the employer.
2. Six check stubs or earning statements, which indicate the employee's gross pay, frequency of pay or year to date earnings.
3. W-2 forms plus income tax return forms.
4. Income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities

Applicants and program participants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income.

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

Where doubt regarding income exists, a referral to IRS for confirmation will be made on a case-by-case basis.

**Social Security, Pensions, Supplementary Security Income (SSI), Disability Income**
Acceptable methods of verification include:

1. EIV, use gross only
2. Benefit verification form completed by agency providing the benefits.
3. Award or benefit notification letters prepared and signed by the providing agency.
4. To simplify the requirements associated with determining the annual income of participants on fixed incomes (24 CFR 982.516, 960.257).

DHNP may opt to conduct a streamlined reexamination of income for elderly families and disabled families when 100 percent of the family’s income consists of fixed income. In a streamlined reexamination, DHNP will recalculate family incomes by applying any published cost of living adjustments to the previously verified income.
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Unemployment Compensation

Acceptable methods of verification include:

1. Verification form completed by the unemployment compensation agency.
2. Computer report electronically obtained or in hard copy, from unemployment office stating payment dates and amounts.

Welfare Payments, General Assistance, and/or Participant Match Payments Food Stamps

Acceptable methods of verification include:

1. Written statement from payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next 12 months.
2. DHNP verification form completed by payment provider.
4. Computer-generated list of recipients from Social Services Department.

Alimony or Child Support Payments

Acceptable methods of verification include:

1. Verification from the Department of Child Support Enforcement.
2. Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
3. A notarized letter from the person paying the support.
4. Copy of latest check and/or payment stubs from Court Trustee. DHNP must record the date, amount, and number of the check.
5. Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If payments are irregular, the family must provide one of the following:

- A copy of the separation or settlement agreement or a divorce decree stating the amount and type of support and payment schedules.
- A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement.
- A notarized affidavit from the family indicating the amount(s) received.
- A welfare notice of action showing amounts received by the welfare agency for child support.
• A written statement from an attorney certifying that a collection or enforcement action has been filed.

Net Income from a Business

In order to verify the net income from a business, DHNP will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months.

Acceptable methods of verification include:

1. IRS Form 1040, including:
   - Schedule C (Small Business)
   - Schedule E (Rental Property Income)
   - Schedule F (Farm Income)

   If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

2. Audited or unaudited financial statement(s) of the business.

3. Documents such as manifests, appointment books, cash books, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.

4. Family's self-certification as to net income realized from the business during previous years.

Child Care Business

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

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

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

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

The family must complete our Certification of Financial Assistance, which contains the following information:

- The person who provides the gifts
- The value of the gifts
- The regularity (dates) of the gifts
- The purpose of the gifts

Zero Income Status

Families claiming to have no income will be required to report to the DHNP office on a regular basis and complete verification forms certifying in order to verify how rent and other expenses are being paid.

DHNP will review EIV information received with the tenant.

DHNP will request information from the State Unemployment Commission

DHNP will run a credit report if information is received that indicates the family has an unreported income source.

DHNP will require the family to complete a zero income checklist.

Monthly Income Reporting Assessment

Families with expenses exceeding income will be required to report to the DHNP office on a regular basis and complete required verifications forms.

Full-time Student Status

Only the first $480 of the earned income of full time students, other than head, co-head, or spouse, will be counted towards family income.

Financial aid, scholarships, and grants are not counted toward family income.

Verification of full time student status includes:

- Written verification captured on a DHNP Student Verification form completed by the registrar's office or other school official;
• School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution

F. **INCOME FROM ASSETS** [24 CFR 982.516]

**Financial Institutions Verification Cost Effectiveness**

Some financial institutions charge a substantial fee for providing account records. These fees plus the associated processing costs incurred by DHNP to obtain these records may exceed the actual asset value to be applied in calculating the family’s asset. For example, a financial institution may charge $35 dollars to verify a checking account balance of $20.00; a small account balance will not affect the Total Tenant Payment (TTP) for the family. DHNP will determine on a case-by-case basis whether the cost of obtaining financial account verification is not effective when compared to the TTP. In such cases, DHNP will utilize participant-supplied documents as verification and document the decision not to request a higher level of verification due to cost effectiveness reasons.

**Savings Account Interest Income and Dividends**

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

**Interest Income from Mortgages or Similar Arrangements**

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

**Net Rental Income from Property Owned by Family**

Acceptable methods of verification include:
1. IRS Form 1040 with Schedule E (Rental Income).
2. Copies of latest rent receipts, leases, or other documentation of rent amounts.
3. Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

4. Lessee's written statement verifying rent payments to the family and family's self-certification as to net income realized.

G. VERIFICATION OF ASSETS

Family Assets

DHNP may require the information necessary to determine the current cash value of the family's assets, (the net amount the family would receive if the asset were converted to cash). See Chapter 1 for Notice PIH 2012-15.

Acceptable verification may include any of the following:

- Verification forms, letters, or documents from a financial institution or broker.
- Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
- Quotes from a stockbroker or realty agent as to net amount family would receive if they liquidated securities or real estate.
- Real estate tax statements if the approximate current market value can be deduced from assessment.
- Financial statements for business assets.
- Copies of closing documents showing the selling price and the distribution of the sales proceeds.
- Appraisals of personal property held as an investment.
- Family's self-certification describing assets or cash held at the family's home or in safe deposit boxes.

Assets Disposed of for Less than Fair Market Value (FMV) During Two Years Preceding Effective Date of Certification or Recertification

For all Certifications and Re-certifications, DHNP will obtain the Family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or re-certification.

If the family certifies that they have disposed of assets for less than fair market value, verification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.
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H. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME
[24 CFR 982.516]

Child Care Expenses

Written verification of childcare expenses from the childcare provider is required and verification of co pays from the Department of Human Services will be accepted.

Verifications must specify the child care provider's name, address, telephone number, tax identification or social security number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.

Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

Written verification from absent parent, if they are responsible for paying the child care expense.

Medical Expenses

Families who claim medical expenses will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. All expense claims will be verified by one or more of the methods listed below:

- Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.
- Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
- Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 months. A computer printout will be accepted.
- For attendant care:
  - A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes.
  - Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.
  - 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. DHNP 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.

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

**Assistance to Persons with Disabilities** [24 CFR 5.611(c)]

In All Cases:

• Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.

• Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

• Attendant Care:
  • Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided.
  • Certification of family and attendant and/or copies of canceled checks family used to make payments.

Auxiliary Apparatus:

• Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.

• In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

I. **VERIFYING NON-FINANCIAL FACTORS** [24 CFR 5.617(b) (2)]

**Verification of Legal Identity**

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

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

• Certificate of Birth, naturalization papers
• Church issued baptismal certificate
• Current, valid Driver's license
• U.S. military discharge (DD 214)
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- U.S. passport
- Voter's registration
- Company/agency Identification Card
- Department of Motor Vehicles Identification Card
- Hospital records

Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:
- Certificate of Birth
- Adoption papers
- Custody agreement
- Health and Human Services ID
- School records

If none of these documents can be provided, a third party who knows the person may, at DHNP's discretion, provide a sworn statement as to their identity.

Verification of Marital Status

- Verification of divorce status will be a certified copy of the divorce decree, signed by a Court Officer.
- Verification of a separation may be a copy of court-ordered maintenance or other records.
- Verification of marriage status is a marriage certificate.

Familial Relationships

Certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide verification.

The following verifications will always be required if applicable:
- Verification of relationship
- Official identification showing names
- Birth Certificates
- Baptismal certificates
- Verification of guardianship:
  - Court-ordered assignment
  - Affidavit of parent
  - Verification from social services agency
- School records

Verification of Permanent Absence of Family Member

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

- Husband or wife institutes divorce action.
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- Husband or wife institutes legal separation.
- Order of protection/restraining order obtained by one family member against another.
- Proof of another home address, such as utility bills, canceled checks for rent, driver’s license, or lease or rental agreement, if available.
- Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.
- A utility bill
- New driver’s license
- Lease

If the adult family member is incarcerated, a document from the Court or correctional facility should be obtained stating how long they will be incarcerated.

If no other proof can be provided, DHNP will accept a self-certification from the head of household or the spouse or co-head, if the head is the absent member.

**Verification of Change in Family Composition**

DHNP will verify changes in family composition through various sources.

**Verification of Disability**

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7) or verified in writing by an appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist, licensed social worker, or a professional competent to render the opinion and knowledgeable about the person’s situation.

**Verification of Citizenship/Eligible Immigrant Status** [24 CFR 5.508, 5.510, 5.512, 5.514]

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by Immigration and Naturalization Service (INS). Each family member must declare his or her status once. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while DHNP informal review is pending.

Citizens or Nationals of the United States are required to sign a declaration under penalty of perjury.

DHNP will require citizens to provide documentation of citizenship.
Acceptable documentation will include at least one of the following original documents:
• United States birth certificate
• United States passport
• Resident alien/registration card
• Social security card
• Other appropriate documentation as determined by DHNP
• Eligible immigrants aged 62 and over are required to sign a declaration of eligible immigration status and provide proof of age.

Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents, which are copied front and back and returned to the family. DHNP verifies the status through the INS SAVE system. If this primary verification fails to verify status, DHNP must request within ten days that the INS conduct a manual search.

Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.

Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of ineligible members.

Failure to Provide

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

Time of Verification

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination.

DHNP 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.

DHNP will verify the U.S. citizenship/eligible immigration status of all participants no later than the date of the family's first annual reexamination following the enactment of the Quality Housing and Work Responsibility Act of 1998.

For family members added after other members have been verified, the verification occurs at the first re-certification after the new member moves in.
Once verification has been completed for any covered program, it need not be repeated except, in the case of port-in families. If the initiating PHA does not supply the documents, DHNP must conduct the determination.

**Extensions of Time to Provide Documents**

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

**Acceptable Documents of Eligible Immigration**

Only the following documents are acceptable unless changes are published in the Federal Register:

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

A birth certificate is not acceptable verification of status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept five years.

DHNP will verify the eligibility of a family member at any time such eligibility is in question, without regard to the position of the family on the waiting list.

**Verification of Social Security Numbers** [24 CFR 5.216]

Social security numbers must be provided as a condition of eligibility for all family members if they have been issued a number. Verification of social security numbers will be done through a social security card issued by the Social Security Administration.

**Medical Need for Larger Unit**

A written certification that a larger unit is necessary must be obtained from a reliable, knowledgeable professional.
J. VERIFICATION OF WAITING LIST PREFERENCES [24 CFR 982.207]

Local Preferences

Tenant Based Rental Assistance (TBRA) or Insufficient Funding Preference:

This preference is extended to any family participating in the TBRA program in good standing and/or that has been terminated from its HCV program due to insufficient program funding.

Disability Preference: This preference is available for families with a member who has a disability as defined in this Admin Plan. DHNP will require appropriate documentation from a knowledgeable professional. DHNP will not inquire as to the nature of the disability except as to verify necessity for accessible unit. Award letter or other proof of eligibility for Social Security Disability or Supplemental Security Income will be acceptable.

Homeless Preference: This preference is available for individuals who meet the definition of homeless as determined by the DHNP; Project Based Developer; or HUD. Verification of Homeless status should be secured on the Documentation of Homelessness form and completed by a professional associated with a third party agency e.g. Salvation Army Counselor, Case Worker, Clergy, etc.

Veterans Preference: Head of household is a Veteran of the U.S. Armed Forces and who has received a general or honorable discharge. Verification is a DD-214.

Residency Preference: For families, who live, work or have been hired to work in the jurisdiction of DHNP. In order to verify that an applicant is a resident, DHNP will accept the following documents: rent receipts, leases, utility bills, employer or agency records, school records, driver’s licenses, voter’s registration records, credit reports.

Working Preference: This preference is available for families with at least one member who is employed. DHNP will require a statement from the employer.

Families with Dependent Children under 18 yrs Old: This preference is available for families with dependent children under 18 years old. Birth certificates, school records custody papers are acceptable forms of verification.

Victims of Domestic Violence: Victims of domestic violence who claim this preference must submit verification by completing the Certification of Domestic Violence, Dating Violence, or Stalking form HUD 91066.

Elderly – Age 62 or Older: Preference for single persons who are elderly, over other single persons.
INTRODUCTION

DHNP’s goals and objectives are designed to assure that families selected to participate are equipped with the tools necessary to locate an acceptable housing unit. Families are provided sufficient knowledge and information regarding the program and how to achieve maximum benefit while complying with program requirements. When eligibility has been determined, DHNP 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, DHNP procedures, and how to lease a unit. The family will also receive a briefing packet, which provides more detailed information about the program including the benefits of moving outside areas of poverty and minority concentration. This chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for how changes in the family composition will be handled.

A. ISSUANCE OF VOUCHERS [24 CFR 982.204(d), 982.54(d) (2)]

When funding is available, DHNP will issue vouchers to applicants after all clearances have passed whose eligibility has been determined. The number of vouchers issued must ensure that DHNP stays as close as possible to 100 percent lease-up. DHNP monitors utilization monthly. DHNP may over-issue vouchers only to the extent necessary to meet leasing goals. If DHNP finds it is over-leased, it must adjust future issuance of vouchers in order not to exceed the ACC budget limitations over the fiscal year.

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

Initial Applicant and Incoming Portable Briefing

A full HUD-required briefing will be conducted for applicant families who are determined to be eligible for assistance. The briefings will be conducted in groups. Families who attend group briefings and still have the need for individual assistance will be assisted by a Housing Specialist.

The purpose of the briefing is to explain the program and the documents in the applicant’s packet. This will enable them to utilize the program to their advantage, and it will prepare them to discuss it with potential owners and property managers.

DHNP will not issue a voucher to a family unless the household representative has attended a briefing and signed the voucher. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend two scheduled briefings, without prior notification and approval of DHNP, may be denied admission based on failure to supply information needed for certification and withdrawn from the waiting list. DHNP will conduct individual briefings for families with disabilities at their home, upon written request by the family, if required for reasonable accommodation.

Briefing Packet [24 CFR 982.301(b)]
Chapter 8
VOUCHER ISSUANCE AND BRIEFINGS
[24 CFR 982.301, 982.302]

The documents and information provided in the briefing packet for the voucher program will comply with all HUD requirements. DHNP also includes other information and/or materials, which are not required by HUD.

The family is provided with the following information and materials:

- The term of the voucher, and DHNP policy for requesting extensions or suspensions of the voucher (referred to as tolling).
- A description of the method used to calculate the housing assistance payment for a family, including:
  - How DHNP determines the payment standard for a family;
  - How DHNP determines total participant’s payment for a family and information on the payment standard and utility allowance schedule;
  - How DHNP determines the maximum allowable rent for an assisted unit including the rent reasonableness standard;
  - Where the family may lease a unit; for families that qualify to lease a unit outside DHNP jurisdiction under portability procedures, the information must include an explanation of how portability works.
- The HUD required tenancy addendum, which must be included in the lease;
- The HUD form 52517 the family must use to request approval of tenancy and a description of the procedure for requesting approval for a tenancy;
- A statement of DHNP policy on providing information about families to prospective owners;
- DHNP Subsidy Standards including when and how exceptions are made and how the voucher size relates to the unit size selected;
- The HUD brochure "A Good Place to Live" on how to select a unit that complies with HQS;
- The HUD pamphlet on lead-based paint entitled Protect Your Family From Lead in Your Home;
- Information on Federal, State and local equal opportunity laws, the HUD pamphlet Fair Housing: It’s Your Right; a copy of the housing discrimination complaint form; and the phone number of the Fair Housing Office;
- A list of landlords or other parties willing to lease to assisted families; the list includes landlords or other parties who are willing to lease units or help families find units outside areas of poverty or minority concentration.
• If the family includes a person with disabilities, notice that DHNP will provide a list of available accessible units known to DHNP;

• The family obligations under the voucher issued;

• The grounds on which DHNP may terminate assistance for a participant family because of family action or failure to act;

• DHNP informal hearing procedures including when DHNP is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.

• If portability is allowed under the voucher issuance, an information packet is provided that includes an explanation of how portability works, including a list of neighboring housing agencies with the name, address and telephone number of a portability contact person at each for use by families who move under portability;

• Procedures for notifying DHNP and/or HUD of program abuses such as side payments, extra charges, violations of participant rights, and owner failure to repair;

• The family's rights as a participant and a program participant;

• Requirements for reporting changes between annual re-certifications;

• The current Fair Market Rent;

• The DHNP utility allowance table;

• The Family Self Sufficiency program and its advantages.

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

• Monthly Income Reporting Assessment (MIRA)

**Move Briefing**

A move briefing will be held for families who will be reissued a voucher to move. The family must;

• Give written notice of intent to vacate to their landlord and provide a copy to DHNP.

• The written notice must be given in accordance with the terms of the landlord’s lease but no less than 30 days before the lease expiration.

• Vacate the landlord’s premises within the terms of the notice to vacate.

The family must notify the PHA and the owner before the family moves out of the unit. Failure to do this is a breach of family obligations under the program.
Outgoing Portability Briefing

When a family has qualified to port-out of Virginia Beach’s jurisdiction, a briefing will be held to explain the outgoing portability requirements.

Landlord/Owner Briefing

Group briefings are held for landlord/owners at least once a year; notification is provided by mail. Prospective owners are also welcome. The purpose of the briefing is to assure successful owner participation in the program. The briefing covers the responsibilities and roles of the Landlord, Tenant and DHNP.

C. ENCOURAGING PARTICIPATION IN AREAS WITHOUT LOW INCOME OR MINORITY CONCENTRATION

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

DHNP 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.

DHNP has maps that show various areas and information about facilities and services in neighboring areas such as schools, transportation, and supportive and social services.

DHNP will investigate and analyze when voucher holders are experiencing difficulties locating or obtaining housing units outside areas of concentration.

D. SECURITY DEPOSIT REQUIREMENTS [24 CFR 982.313]

The owner is not required to but may collect a security deposit from the tenant, which may not exceed those charged to unassisted tenants or the maximum prescribed by State or local law.

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

E. TERM OF VOUCHER [24 CFR 982.303, 982.54(d) (11)]

During the briefing session, each household will be issued a voucher, which represents a contractual agreement between DHNP and the Family specifying the rights and responsibilities of each party. It does not constitute admission to the program, which occurs when the lease and contract become effective.

Expiration

The voucher is valid for a period of sixty (60) calendar days from the date of issuance, except for vouchers issued under the Veterans Administration Supportive Housing (VASH) Program. The family must submit a Request for Tenancy Approval and Lease within the sixty-day period unless an extension has been granted by DHNP. If the voucher has expired, and has not been
extended by DHNP or expires after an extension, the family will be denied assistance. The family will not be entitled to a review or hearing. If the family is currently assisted, they may remain as a participant in their unit if there is an assisted lease/contract in effect.

**Suspensions**

**Suspensions of Voucher Term [24 CFR 982.303(c)] (New)**

At its discretion, DHNP may adopt a policy to suspend the voucher term if the family has submitted a Request for Tenancy Approval (RFTA) during the voucher term. “Suspension” means stopping the clock on a family’s voucher term from the time a family submits the RFTA until the time the DHNP approves or denies the request [24 CFR 982.4]. The DHNP’s determination not to suspend a voucher term is not subject to informal review [24 CFR 982.554(c) (4)].

When a RFTA is received, DHNP will not deduct the number of days required to process the request from the sixty (60) day term of the voucher.

**Extensions**

A family may request in writing an extension of the voucher time period. All requests for extensions must be received prior to the expiration date of the voucher.

Extensions are permissible at the discretion of DHNP in thirty (30) day increments. Special circumstances include but are not limited to events such as:

- Hospitalization or a family emergency for an extended period of time which has affected the family's ability to find a unit within the initial sixty-day period. Verification is required.
- DHNP is satisfied that the family has made a reasonable effort to locate a unit, including seeking the assistance of DHNP, throughout the initial sixty-day (60) period.
- The family was prevented from finding a unit due to disability accessibility requirements or five or more bedroom unit requirement.

DHNP will extend the term up to sixty (60) days from the end of the initial term if the family needs and request an extension as a reasonable accommodation to make the program accessible to and usable by a family member with a disability.

The Rental Housing, Program Coordinator must approve voucher extensions.

**Assistance to Voucher Holders**

Families who require additional assistance during their search may call DHNP to request assistance. Voucher holders will be notified at their briefing session that DHNP periodically updates the listing of available units and how the updated list may be obtained.
DHNP will assist families with negotiations with owners and provide other assistance related to the families' search for housing.

**F. VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS**

[24 CFR 982.315]

In those instances when a family assisted under the HCV program becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, DHNP shall consider the following factors to determine which of the families will continue to be assisted:

- Which of the two new family units has custody of dependent children.
- Which family member was the head of household when the voucher was initially issued (listed on the initial application).
- The composition of the new family units, and which unit contains elderly or disabled members.
- Whether domestic violence was involved in the breakup.
- Which family members remain in the unit.
- Recommendations of social service professionals.

Documentation of these factors will be the responsibility of the requesting parties.

If documentation is not provided, DHNP will terminate assistance on the basis of failure to provide information necessary.

**G. REMAINING MEMBER OF PARTICIPANT FAMILY - RETENTION OF VOUCHER**

[24 CFR 982.315]

To be considered the remaining member of the participant family, the person must have been previously approved by DHNP and living in the unit.

A live-in attendant, by definition, is not a member of the family and will not be considered a remaining member of the family.

In order for a minor child to continue to receive assistance as a remaining family member:

- The court has to have awarded emancipated minor status to the minor, or
• DHNP has to have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child (ren) for an indefinite period.

A reduction in family size may require a reduction in the voucher family unit size.
INTRODUCTION [24 CFR 982.305(a)]

DHNP’s program operations are designed to utilize available resources in a manner that is efficient and provides eligible families timely assistance based on the number of units that have been budgeted. DHNP’s objectives include maximizing HUD funds by providing assistance to as many eligible families and for as many eligible units as the budget will allow.

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

A. REQUEST FOR TENANCY APPROVAL [24 CFR 982.302, 982.305(b)]

The Request for Tenancy Approval (RFTA) and a copy of the unexecuted lease, including the HUD prescribed tenancy addendum, must be submitted by the family during the term of the voucher. The family must submit the Request for Tenancy Approval. Once the RFTA is received, the term of the voucher will be suspended.

The Request for Tenancy Approval must be fully completed, signed, and dated by both the owner and voucher holder.

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

DHNP will review the unexecuted lease and the Request for Tenancy Approval documents to determine whether or not they are approvable. The request will be approved if:

- The unit is an eligible type of housing
- The unit meets HUD's Housing Quality Standards (and any additional criteria as identified in this Administrative Plan)
- The rent is reasonable
- The security deposit is approvable in accordance with any limitations in this plan.
- The proposed lease complies with HUD and PHA requirements (See "Lease Review" section below).
Chapter 9
REQUEST FOR TENANCY APPROVAL AND CONTRACT EXECUTION
[24 CFR 982.301, 982.302]

- The owner is approvable, and there are no conflicts of interest (See "Owner Disapproval" Chapter 16)

In addition to the above, at the time a family initially receives assistance in a unit (new admissions and moves), if the gross rent for the unit exceeds the applicable payment standard for the family, the family share of rent may not exceed 40 percent of the family monthly adjusted income (See "Owner Rents, Rent Reasonableness and Payment Standards" Chapter 11).

**Disapproval of RFTA**

If DHNP determines that the request cannot be approved for any reason, the landlord and the family will be notified. DHNP will instruct the owner and family of the steps that are necessary to approve the request.

When, for any reason, a RFTA is not approved, DHNP will furnish another RFTA form to the family so that the family can continue to search for eligible housing-with the time remaining on the voucher.

**B. ELIGIBLE UNITS [24 CFR 982.353]**

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the voucher program. Generally, a voucher-holder family may choose any available rental dwelling unit on the market in the DHNP’s jurisdiction. This includes the dwelling unit they are currently occupying.

**C. SPECIAL HOUSING TYPES [24 CFR 982 Subpart M]**

HUD regulations permit, but do not require, DHNP to permit families to use voucher assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. These special housing types include single room occupancy (SRO) housing, congregate housing, group home, shared housing, manufactured home space (where the family owns the manufactured home and leases only the space), cooperative housing and homeownership option.

(Please note: The Homeownership program is not being offered under the Housing Choice Voucher Program at the DHNP at this time)

Regulations do require the DHNP to permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

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A family can own a rental unit but cannot reside in it while being assisted, except in the case when the tenant owns the mobile home and leases the pad. A family may lease in and have an interest in a cooperative housing development.

DHNP may not permit a voucher holder to lease a unit, which is receiving project-based Section 8 assistance or any duplicative rental subsidies.

D. LEASE REVIEW [24 CFR 982.308]

DHNP will review the lease, particularly noting the approvability of optional charges and compliance with regulations and state and local law. The tenant also must have legal capacity to enter a lease under state and local law. Responsibility for utilities, appliances and optional services must correspond to those provided on the on the Request for Tenancy Approval.

The family and owner must submit a standard form of lease used in the locality by the owner and that is generally used for other unassisted tenants in the premises. The terms and conditions of the lease must be consistent with state and local law.

The HUD prescribed tenancy addendum must be included in the lease word-for-word before the lease is executed.

Effective September 15, 2000, for structures built prior to 1978, the owner's lease must include the Lead Warning Statement and disclosure information required by 24 CFR 35.92(b).

The lease must provide that drug-related criminal activity engaged in by the tenant, any household member, or any guest on or near the premises, or any person under the tenant’s control on the premises is grounds to terminate tenancy.

The lease must also provide that owner may evict family when the owner determines that:

- Any household member is illegally using a drug; or
- A pattern of illegal use of drug by any household member interferes with the health, safety or right to peaceful enjoyment of the premises by other residents.

The lease must provide that the following types of criminal activity by a "covered person" are grounds to terminate tenancy:
• Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents (including property management staff residing on the premises);

• Any criminal activity that threatens the health, safety or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises; or

• Any violent criminal activity on or near the premises by a tenant, household member, or guest; or

• Any violent criminal activity on the premises by any other person under the tenant’s control.

The lease must provide that the owner may terminate tenancy if a tenant is:

• Fleeing to avoid prosecution or custody or confinement after conviction for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees (high misdemeanor in NJ); or

• Violating a condition of probation or parole imposed under Federal or State law.

House Rules of the owner may be attached to the lease as an addendum, provided they are approved by DHNP to ensure they do not violate any fair housing provisions and do not conflict with the tenancy addendum.

**Actions Before Initial Lease Term**

All of the following must always be completed before the beginning of the initial term of the lease for a unit:

• DHNP has inspected the unit and has determined that the unit satisfies the HQS;

• DHNP has determined that the rent charged by the owner is reasonable;

• The landlord and the tenant have executed the lease, including the HUD-prescribed tenancy addendum;

• DHNP has approved leasing of the unit in accordance with program requirements;

• When the gross rent exceeds the applicable payment standard for the family, DHNP must determine that the family share (total family contribution) will not be more than 40% of the family's monthly-adjusted income.
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E. SEPARATE AGREEMENTS

Separate agreements are illegal and prohibited in the HCV Program. Pursuant to HUD’s statement dated March 2008 regarding Fair Housing and Request for Modifications, DHNP will approve separate agreements for modifications to the unit on a case-by-case basis for persons with disabilities.

F. INITIAL INSPECTIONS [24 CFR 982.305(a) & (b)]

See "Housing Quality Standards and Inspections", Chapter 10 of this Administrative Plan.

G. RENT LIMITATIONS [24 CFR 982.507]

DHNP 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 DHNP, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises. The owner is required to provide DHNP 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 DHNP.

H. DISAPPROVAL OF PROPOSED RENT [24 CFR 982.502]

In any of the programs, if the proposed gross rent is not reasonable, at the family’s request, DHNP will negotiate with the owner to reduce the rent to a reasonable rent. If the rent is not affordable because the family share would be more than 40% of the family’s monthly-adjusted income, DHNP 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, DHNP will continue processing the Request for Tenancy Approval and lease. If the revised rent involves a change in the provision of utilities, a new Request for Tenancy Approval must be submitted by the owner.
If the owner does not agree on the rent to owner after DHNP has tried and failed to negotiate a revised rent, DHNP will inform the family and owner that the lease is disapproved.

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

In accordance with HUD requirements, DHNP will furnish prospective owners with the family’s current address as shown in DHNP’s records and, if known to DHNP, the name and address of the landlord at the family’s current and prior address.

DHNP will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

DHNP will inform owners that it is the responsibility of the landlord to determine the suitability of prospective tenants. Owners will be encouraged to screen applicants for rent payment history, payment of utility bills, eviction history, respecting the rights of other residents, damage to units, drug-related criminal activity or other criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

A statement of DHNP’s policy on release of information to prospective landlords will be included in the briefing packet, which is provided to the family.

DHNP will furnish prospective owners with information about the family’s rental history (if available), or any history of drug trafficking. This information will be verbal but can be provided in writing if requested by the landlord; a copy of such information will be provided to the family if requested.

Only the HCV case manager may provide this information. DHNP's policy on providing information to owners is included in the briefing packet and will apply uniformly to all families and owners.

J. OWNER DISAPPROVAL [24 CFR 982.306]

See chapter on “Owner Disapproval and Restriction,” Chapter 16.

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

When the family reports changes in factors that will affect the total family share prior to the effective date of the HAP contract at admission, the information will be verified and the total family share will be recalculated. If the family does not report any change, DHNP need not
obtain new verifications before signing the HAP contract, even if verifications are more than 60 days old.

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

The PHA may not pay any housing assistance payment to the owner until the HAP contract has been executed.

If the HAP contract is executed during the period of 60 calendar days from the beginning of the lease term, the PHA will pay housing assistance payments after execution of the HAP contract (in accordance with the terms of the HAP contract), to cover the portion of the lease term before execution of the HAP contract (a maximum of 60 days).

Any HAP contract executed after the 60-day period is void, and the PHA may not pay any housing assistance payment to the owner.

If housing assistance payments are not paid promptly when due after the first two calendar months of the HAP contract term, the PHA shall pay the owner penalties if all of the following circumstances apply: (i) Such penalties are in accordance with generally accepted practices and law, as applicable in the local housing market, governing penalties for late payment of rent by a tenant; (ii) It is the owner’s practice to charge such penalties for assisted and unassisted tenants; and (iii) The owner also charges such penalties against the tenant for late payment of family rent to owner. However, the PHA shall not be obligated to pay any late payment penalty if HUD determines that late payment by the PHA is due to factors beyond the PHA’s control. Moreover, the PHA shall not be obligated to pay any late payment penalty if housing assistance payments by the PHA are delayed or denied as a remedy for owner breach of the HAP contract (including any of the following PHA remedies: recovery of overpayments, suspension of housing assistance payments, abatement or reduction of housing assistance payments, termination of housing assistance payments and termination of the contract).

M. CHANGE IN OWNERSHIP

See "Owner Disapproval and Restriction," Chapter 16.

N. TEMPORARY MOVES DUE TO RENOVATIONS

When an owner’s property is undergoing renovations that require the temporary move of the assisted family to another dwelling unit, the temporary move is treated as an initial move-in. All the requirements for an initial move-in must be met including but not limited to affordability checks, new lease and HAP contract, rent reasonableness, and a passed inspection.
Dependent upon the specific circumstances, the HCV Administrator, Coordinator or Director of Housing may waive certain requirements. For example, if the temporary move is for a short period of time, it may make sense to approve revision to the current lease stating that the current lease terms and HAP contract information is unchanged during the temporary move; thus, the affordability check, new HAP contract, new lease, and rent reasonableness is not required.

A passed inspection is always required prior to a family move in for any reason.

**O. MONTH TO MONTH LEASE CHARGE**

HUD regulations do not prohibit a month-to-month lease after the initial one-year lease period. HUD regulations also do not prohibit a month-to-month lease charge and considers such charges as part of the gross rent.

When a family decides to extend their lease on a month-to-month basis, the family and owner must revise the current lease to include the month-to-month charge amount. This revised lease must be approved by the HCV Housing Specialist who will ensure that the month-to-month charge is reasonable. Please refer to Chapter 11, Rent Reasonableness and Payment Standards for the methodology to determine a reasonable month-to-month lease charge.
INTRODUCTION

The Virginia Beach Department of Housing and Neighborhood Preservation (DHNP) conducts inspections on all units enrolled in the Housing Choice Voucher (HCV) Program. These inspections are required at the time of initial occupancy and during the term of the lease. The inspections are based on HUD’s Housing Quality Standards, the code standards of the Uniform Statewide Building Code, Part III, Virginia Maintenance Code, and the city’s property maintenance codes. They apply to the structure and the exterior premises, as well. Newly leased units must pass the inspection before the beginning date of the assisted lease and Housing Assistance Payment (HAP) contract.

The Department of Housing and Neighborhood Preservation will perform both annual and biennial inspections as it works to satisfy the goal of providing decent, safe and sanitary housing for its housing choice voucher program participants. Units under contract will be inspected either annually or biennially. Units which have passed the previous annual inspection with no unit deficiencies requiring for a re-inspection, will be placed on a biennial inspection schedule. Units placed on a biennial inspection schedule will be inspected every other year.

The Section Eight Management Assessment Program (SEMAP) requires that a random sampling of the units enrolled in the HCV Program be inspected to ensure consistency with the DHNP’s inspection program guidelines. Quality Control inspections will be conducted on a monthly basis by qualified personnel to meet this requirement.

This chapter describes DHNP’s procedures for performing inspections, and sets the standard for the timeliness of repairs. It also describes the responsibilities of the property owner and client, and the consequences of non-compliance with code requirements for both parties.

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

1. Inspections are conducted by certified code inspectors employed by the DHNP.

2. Utility service must be active prior to the date of the inspection. If the utilities are not in service at the time of inspection, the inspector will not be able to conduct an inspection of the unit.

3. If the client is responsible for supplying the stove and/or the refrigerator, the client must notify the Housing Specialist when the appliances are in the unit and an inspection will be scheduled and conducted.

4. The head of household or anyone 18 years older must be present during all inspections.
Landlords are strongly encouraged to be present during the inspections as well.

5. There are five types of inspections the DHNP will perform.

- Initial/Move-in: Conducted upon receipt of Request for Tenancy Approval (RFTA).
- Annual/Biennial: Units under lease inspected within twelve months of the last annual inspection to confirm that the unit meets proper quality standards, or units under lease inspected every two years to confirm that the unit meets proper quality standards.
- Special/Complaint: Conducted at request of the property owner, the HCV Program client, or a local city agency/third-party provider of services to the client.
- Supervisory Quality Control: Monthly inspection of a random sampling.
- Potential Unsafe Condition: Inspection for potential life-safety violations.

A. **INITIAL INSPECTION** [24 CFR 982.401(a), 982.305(b) (2)]

1. Inspections will normally be scheduled and completed within fifteen business days of receipt of the RFTA, but no later than the twenty business day timeframe set by HUD regulations.

2. The Initial Inspection will be conducted to:

   - Determine if the unit and property meet code standards
   - Document the current condition of the unit
   - Document the information used for rent-reasonableness evaluations

3. If code violations are found, the code inspector will make note of the violations and leave an Inspection Checklist with the tenant, or if available, the owner, at the time of the inspection. The DHNP will notify the client and property owner/payee of the inspection results in writing as soon as administratively possible, but no later than five days after the inspection. The DHNP will attempt to conduct initial inspections in a manner that is time efficient and convenient for all parties involved.

B. **ANNUAL INSPECTIONS** [24 CFR 982.405(a)]

The code inspectors conduct annual inspections approximately 90 days prior to the lease anniversary date. Units under an annual inspection schedule display a pattern of unit deficiencies requiring regular department review.
1. The client must allow the inspectors to inspect the unit at reasonable times after receiving reasonable notice. [24 CFR 982.551(d)] Inspections will be conducted on business days only, between 8:00 am and 2:30 pm.

2. DHNP will notify the client and the landlord of the date of the inspection in writing.

3. If the client is unable to be present, they must contact the inspector within 10 days of receipt of the notification letter to reschedule the inspection. A client may only reschedule their inspection one time. Clients may also contact the inspection coordinator or the housing specialist for inspection rescheduling.

4. If the family misses one inspection appointment, the inspector will leave a door hanger at the dwelling unit advising them of the missed inspection. The housing specialist must evaluate and the inspection will be rescheduled. Two missed inspections may result in termination of assistance.

5. If code violations are found, the unit fails inspection. A notice of violation is issued to all parties involved and a suitable time period is given for correction. The responsible party must correct all code violations within the time period specified in order to continue with the HCV Program.

C. BIENNIAL INSPECTIONS.

Units which have passed the previous annual inspection with no unit deficiencies requiring for a re-inspection, will be placed on a biennial inspection schedule. Units placed on a biennial inspection schedule will be inspected every other year.

To be eligible for the biennial inspection schedule a new unit must successfully pass its first annual inspection with no unit deficiencies. Units which fail the first annual inspection or any subsequent annual inspection will remain on or be returned to the Department’s annual inspection schedule.

Listed below are additional circumstances which subject a unit to the annual inspection schedule:

- Multiple (2 or more) special inspections conducted for a unit within the calendar year.
- An occurrence of a life threatening or unsafe condition inspection within the calendar year.
- A failed supervisory or quality control inspection within the calendar year.
- Any finding of Lead based paint.
- Any finding of lead poisoning.
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1. The client must allow the inspectors to inspect the unit at reasonable times after receiving reasonable notice. [24 CFR 982.551(d)] Inspections will be conducted on business days only, between 8:00 am and 2:30 pm.

2. DHNP will notify the client and the landlord of the date of the inspection in writing.

3. If the client is unable to be present, they must contact the inspector within 10 days of receipt of the notification letter to reschedule the inspection. A client may only reschedule their inspection one time. Clients may also contact the inspection coordinator or the housing specialist for inspection rescheduling.

4. If the family misses one inspection appointment, the inspector will leave a door hanger at the dwelling unit advising them of the missed inspection. The housing specialist must evaluate and the inspection will be rescheduled. Two missed inspections may result in termination of assistance.

5. If code violations are found, the unit fails inspection. A notice of violation is issued to all parties involved and a suitable time period is given for correction. The responsible party must correct all code violations within the time period specified in order to continue with the HCV Program.

D. SPECIAL/COMPLAINT INSPECTIONS [24 CFR 982.405(c)]

1. If at any time the client or property owner feels that potential code violations exist, they may notify the DHNP and request a special inspection. The DHNP will conduct an inspection within 2 business days. Inspections of unsafe conditions will be conducted within 24 hours in most cases.

2. The DHNP may also conduct a special inspection based on information from a local city agency or from a third party provider of services to the client.

3. The DHNP will inspect the items, which were reported and may note additional violations at the time of inspection.

E. SUPERVISORY QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b)]

1. Quality Control inspections will be performed by a Code Supervisor or designee on a
percentage of the units enrolled in the HCV Program. These inspections are required under SEMAP.

2. The purpose of Quality Control inspections is to ensure that each inspector is conducting accurate and complete inspections, and to confirm consistent application of the code.

3. The random sampling of files will include a cross-section of neighborhoods and a cross-section of inspectors.

F. UNSAFE CONDITION INSPECTIONS [PIH Notice 2006-08 Exigent Health and Safety Deficiency]

1. Upon confirmation of an unsafe condition, the inspector issues a notice of violation giving 24 hours for correction of the potential life-safety issue(s).

2. If prompt corrective action is not taken by the responsible party, units are posted unsafe and condemned. The unit cannot be occupied until the inspector confirms compliance with the notice of violation.

3. The owner must maintain the contract unit and premises in accordance with the Virginia Maintenance Code, the City’s Property Maintenance Codes, or housing quality standards (HQS), whichever is greater. In addition, HUD Notice: PIH -2012-17, states that “Pest management is integral to the provisions of safe and sanitary housing”. The Owner is to describe what actions were taken or will be taken to eradicate the infestation. The Owner is to inform DHNP when the problem has been completely eradicated.

4. If bed bug infestation is found in the unit, the tenant may expect treatment to begin within days of the inspection. Tenants should be advised that treatment process may take several weeks. Tenants are expected to cooperate with the treatment efforts by allowing for heat treatment of clothing and furniture and refraining from placement of infested furniture or other items in common areas such as hallways. Tenant cooperation is shown to expedite the control of bed bugs and to prevent spreading of infestations. The tenant will not be expected to contribute to the cost of the treatment effort. The tenant will not be reimbursed for the cost of any additional expense to the household, such as purchase of new furniture, clothing or cleaning services.

G. ACCEPTABLE CRITERIA AND EXCEPTIONS [24 CFR 982.401(4)(A)]

1. The DHNP adheres to the highest acceptable criteria in the program regulations and has adopted, where applicable, the local codes described below that exceed the HQS performance
requirements.

- Uniform Statewide Building Code, Part III, The Virginia Maintenance Code and the City's Property Maintenance Codes

H. INSPECTION AND ENFORCEMENT POLICIES AND PROCEDURES
1. Inspection Notification

a) Initial inspections cannot be scheduled until the following are completed:

- The Request for Tenancy Approval (RFTA) is fully completed and signed by the landlord and client.
- An unsigned copy of the landlord’s lease must be attached to the RFTA.
- The Housing Specialist has determined the dwelling unit is affordable for the family.
- The Housing Specialist has approved the RFTA and has determined that the lease is within HUD and Virginia Tenant/Landlord regulations.
- The Housing Specialist will schedule the inspection and notify the owner of the inspection appointment. Inspections will normally be scheduled and completed within fifteen business days of receipt of the RFTA.

b) Annual/Biennial Inspections

- An initial letter of notification will be mailed to both the client and landlord no less than 120 days prior to the inspection date. DHNP will insure inspections have been scheduled, or document attempt was made by no later than 110 days. The notification letter will include information about the consequences of a failing inspection and not bringing the unit up to code within the allotted time. HAP payments to the landlord will be abated and/or client benefits will be suspended in accordance with the date indicated on the notice.

- All initial renewal inspections must be completed no later than 90 days before renewal date. If unit does not pass initial inspection, violation notice should be issued, and re-inspections scheduled.

- 60 days prior to re-exam date all re-inspections should have occurred. All re-
inspections should have occurred by the 21\textsuperscript{st} day. Any request for extensions by the owner should be submitted in writing, and must be approved by DHNP in writing. If a 30 day extension is issued, no additional extensions will be granted. The extension notice will also inform the owner that the HAP contract will be terminated if the unit fails a re-inspection after a granted extension.

- The Department of Housing and Neighborhood Preservation (DHNP) has elected to allow self-certifications from the landlord and tenant to verify that all non-life threatening code violations cited during tenant based annual and/or special re-inspections have been corrected. This process complies with 24 CFR 982.404 DHNP will not accept self-certification forms in cases where defects of a life threatening nature are found. Owners and tenants must certify that all the defects have been corrected. Verification of completed repairs may be made during the next on-site inspection. If your unit fails an annual or special inspection, the inspector will determine whether self-certification is sufficient based upon the severity of the defects and the overall condition of the property. Life threatening defects must always be rectified within 24 hours and will never be eligible for self-certification. Units where numerous defects are noted will not qualify for self-certification as well. (See Process for Self-Certifying Repairs on Units Assisted Through the HCV Program)

c) Special Inspections

- Special Inspections will be scheduled within 48 hours.

2. **Inspection Results**

   a) If any code violations are found, the property owner and/or tenants are notified of the violations, the potential re-inspection date and encouraged to contact the inspector to schedule an inspection if the repairs are completed prior to the set deadline.

   b) A notice of violation is processed and mailed to the property owner, the payee, and the tenant.

   c) A copy of the inspection report is given to the Housing Specialist.

   d) A notice of violation may include self-certification form to be completed by property owner/payee and tenant. Please note that whether self-certification on a particular unit can be allowed will be determined by the inspector at the time of inspection. If the property owner/payee and/or tenant are not willing to conduct the self-certification process, then
the normal re-inspection process will be conducted. (See Process for Self-Certifying Repairs on Units Assisted Through the HCV Program)

e) The re-inspection should not be more than 21 days from the date of the initial inspection unless an extension has been requested and granted. A shorter time period will be given in cases where unsafe conditions are present.

3. Failed Inspection Timeline

a) Annual/Biennial Inspection Failure

- Unsafe Condition Present - **24 hours** given for compliance
- Minor Code Violations Present - **Thirty (30)** calendar days given for compliance

b) First Re-Inspection Failure

- HAP payments to the landlord will be abated and/or client benefits will be suspended on the first day of the following month after the failed re-inspection.
- Abatement and/or suspension will continue until the unit is in full compliance.
- Participants will be offered the option to move, and given a voucher to find another unit to occupy.

c) Second Re-Inspection Failure

**When Property owner/Landlord is responsible for the code violation(s)**

- HAP contract terminated if violations continue for 60 days after the initial inspection.
- The client will be issued a voucher.
- Reinspection fee assessed for any subsequent inspections
- The dwelling unit will be removed from the HCV program

**HCV Client Responsible**

- HCV benefits will be terminated on the first of the month following a 30 day notice of failure.
- Owner notified of tenant termination and HAP contract termination.
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[24 CFR 982.401]

- HCV client may request an informal hearing by contacting their housing specialist

<table>
<thead>
<tr>
<th>Days Before Contract Renewal Date (These are “no later than” dates)</th>
<th>Action</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Code Enforcement</strong></td>
<td><strong>Housing Specialist</strong></td>
<td></td>
</tr>
<tr>
<td>120</td>
<td>Mail Renewal Package and include notice with inspection timeline and consequences</td>
<td></td>
</tr>
<tr>
<td>110</td>
<td>Participant calls to schedule inspection, or Specialist initiates contact and request tenants to schedule inspections</td>
<td></td>
</tr>
<tr>
<td>90</td>
<td>Deadline for first inspection. All inspections should have occurred by now; All notices of violations should have been issued; All re-inspections of failed properties should be re-scheduled at the time of initial inspection</td>
<td>1) Specialists should track and insure inspection of unit occurs before 90 days; 2) If a unit fails with life threatening violations prior to a weekend or holiday, the landlord or tenant must contact the inspector via phone or email and provide certification that the condition has been rectified. A physical re-inspection of the property will be required on the next business day to confirm that the condition has been rectified.</td>
</tr>
<tr>
<td>60</td>
<td>All re-inspections should have occurred by the 21st day unless unit has been selected for self-certification; Any request for extensions by the owner should be submitted in writing, and granted in writing; If a 30 day extension is issued, no additional extension will be granted; The extension notice will also inform the owner that the HAP contract will be terminated if the unit fails an inspection after a granted extension.</td>
<td>1) If unit fails and no extension is issued, abatement of rent starts 2) If unit fails and an extension was issued, rent will continue to be paid for another 30 days. 3) In order to complete the self-certification process, all code violations cited during the annual inspection must be corrected and the landlord and the tenant MUST sign the enclosed self-certification form certifying that all repairs have been completed. The certification form, and any applicable work orders/receipts, must be returned to DHNP within 14 calendar days of the failed inspection. If a self-certification form is NOT returned by the deadline date, a physical re-inspection of the property will be required to confirm compliance.</td>
</tr>
<tr>
<td>30</td>
<td>2nd re-inspection for all failed</td>
<td>1) If unit passes, rent will continue to be paid for the balance of the</td>
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</table>
I. **LEAD BASED PAINT (24 CFR Part 35, Subpart A and M)**

DHNP’s unit inspection practices comply with HUD’s lead based paint regulations. Under the Lead Based Paint Rule (LBP) and the Lead Safe Housing Rule (LSHR), 24 CFR Part 35 Subpart A and Subpart M, owners of homes built prior to 1978 with units occupied by or expected to be occupied by children under 6 years of age are subject to the following requirements (including daycare and children visiting regularly) must:

- Provide disclosures to tenants or prospective tenants before they are obligated under contract or lease of any evidence or history of lead based paint.
- Provide the tenant or prospective tenant with the “Protect your family from lead in your home” brochure.
- Maintain lead paint disclosures records.
- Ensure that renovations for pre-1978 properties which disturb paint follow EPA guidelines.
- Paint stabilization and abatement of deteriorated paint must be conducted using safe work practices.

All deteriorated paint surfaces must be corrected, even non lead based paint. During all initial and annual unit inspections, DHNP will perform a visual assessment for deteriorated paint. For those units built prior to 1978 the inspector will determine whether the defective paint surface meets HUD’s De Minimis levels.

**De Minimis Levels**
- 2 square feet on an interior surface.
- 20 square feet on an exterior surface
- 10 percent of individual small component (e.g. window sill) on the interior or exterior surface.
In the event the surface is less than the De Minimis level, a notice of violation will be issued to the property owner, and will fail the inspection. The owner, tenant/prospective tenant will be notified of the violation. The owner must stabilize the defective surface by:

- Repairing any physical defect in the substrate of the painted surface or building component. (e.g. removal of any rotted or rusted or crumbling material).
- Removal of all loose paint and other loose material from the surface.
- Apply a new protective coat of paint to the stabilized surface.

Property owners have 30 days to remedy the violation. The unit must pass a re-inspection within 30 days. In some cases, extensions may be granted. Extension requests must be in writing.

In the event the affected area meets or exceeds the De Minimis level, DHNP will assume that the area has lead based paint and additional activities are necessary to gain compliance with HUD’s lead-based paint regulations. The owner will be notified in writing that the unit has been cited and failed the inspection. The owner issued a notice of violations requiring that corrective work be done. Prior to commencing lead based paint corrective work, the owner must provide to the tenant a copy of the EPA booklet “Renovate Right”. The owner must comply with the following requirements:

Paint stabilization and lead hazard reduction activities

- The work area must be contained
- Dust must be minimized and acceptable methods used in preparing surfaces to be treated
- Occupants and their belongings must be protected from contamination
- Cleanup must be thoroughly performed
- Repair any physical defect in the substrate of the painted surface or building component (examples include but are not limited to: dry rot, rust, moisture-damage, crumbling plaster).
- Removal of all loose paint or other loose material from the surface to be treated.
- Application of a new protective coat of paint.
- All stabilization activities must be performed by EPA trained staff. (Copy of certification required)
- Providing notification to the tenant within 15 calendar days of the stabilization activities (Completing a Summary Notice of Lead Hazard Reduction)
- A clearance examine will be performed after notification to DHNP that stabilization work is complete

The property owner has 30 days to remedy the hazard/violation. Upon completion of the paint stabilization, owners are required to complete the “Owner’s Self Certification Form”, and provide a copy...
of the tenant/prospective tenant. The tenant must sign the document, and a copy must then be provided to DHNP. The unit must be re-inspected. In the event the owner fails to provide all of the required documentation, or if the unit does not pass the re-inspection, the clearance examine, or if the hazard is not corrected timely, the unit will be abated, the contract terminated or denied, and the tenant issued a voucher to move, or request for tenant occupancy certification denied.

It is the owner’s responsibility to ensure that they are in compliance with all laws and regulations which apply. The following are additional reference material available on the subject:

www.epa.gov/lead/pubs/nlic.htm
www.hud.gov/offices/lead
www.epa.gov/lead/publs/renovaterightbrochure.pdf

J. Environmental Interventional Blood Level (EIBLL) Lead Poisoning

The level of lead in blood that requires intervention in a child under age six is defined as 1. A blood lead level of 20 micrograms per deciliter, of whole blood or above or above for a single test, or 2. Blood levels of 15 -19 micrograms per deciliter in two tests taken at least three months apart.

In the event DHNP is notified by a public health organization, medical provider, or some other reputable source that a child of less than 6 years of age, who lives in a housing choice voucher assisted unit, or who regularly visits the assisted unit, is identified as having EIDBLL levels, DHNP will complete a risk assessment of the unit within 15 calendar days. The owner and tenant will be notified of the results.

In the event the testing results indicate that the unit has evidence of lead hazards, the owner will be required to complete the reduction of identified lead paint hazards identified in the risk assessment within 30 days (an extension may be granted for exterior work). The owner will be required to provide documentation to the tenant and DHNP regarding the work completed, and provide EPA certifications of the contractors used. The owner must conduct and provide evidence of a successful clearance examination test results before the unit may be re-inspected.

DHNP will conduct an inspection and include a visual assessment as part of its determination that the unit is clear. DHNP will work with the Health Department to monitor the unit. This unit will be visually assessed on a regular basis.

Should the owner fail to complete the hazard reduction requirements for the unit, the unit will be abated, and the tenant will be given their voucher to relocate. No additional assisted family will be permitted to occupy the unit until the unit meets compliance.
On an ongoing basis as part of the unit maintenance, the owner is required to conduct a visual assessment for deteriorated paint and failure of any hazard reductions measures when the unit is reoccupied and every 12 months. The owner must also provide written notice to each assisted family asking occupants to report deteriorated paint.

DHNP will maintain records of known EIBLL children until they reach the age of six.

**K. LIFE THREATENING CONDITIONS (24 CFR 982.404a)**

Per HUD, DHNP is required to define life threatening conditions and to notify the owner or family of the corrections required. The party responsible must correct the life threatening condition within 24 hours from DHNP’s notice.

The following are considered life threatening conditions:

- Major plumbing leaks or flooding. Water logged ceiling or floor in imminent danger of collapsing.
- Any condition that jeopardizes the security of the unit.
- Natural or LP gas or fuel leak
- Any electrical problem or condition which could result in a fire or shock
- Heating systems unable to maintain an inside temperature of 65 degrees during the heating season, set by the Virginia Maintenance Code, October 15th through May 1st.
- Utilities not in service (gas, electric, running water)
- Any condition that present the imminent possibility of injury
- Obstacles which prevent safe entrance or exist from the unit
- Absence of a functioning toilet
- Inoperable smoke detectors

Should the owner fail to correct the life threatening conditions, the unit/dwelling will be abated, the housing assistance payment will stop, and the housing assistance payment contract will be terminated. If the family has caused the life threatening condition and the tenant fails to correct the life threatening condition, DHNP may terminate the family’s assistance.

**L. TENANT RESPONSIBILITY (24 CFR 982.404(b))**

The owner is not responsible for a HQS unit deficiency caused by the tenant. These deficiencies include:

- The tenant failure to maintain utilities as outlined in the tenant/owner lease.
- The tenant failure to maintain tenant provided appliances.
• Damages caused by the household or guests beyond ordinary wear and tear.

Beyond ordinary “wear and tear” includes damages which are not covered by the security deposit. In instance where the tenant is responsible, the tenant will be required to make repairs within the allotted repair period as outlined in the inspection report depending upon the severity of the deficiency (24 hour or 30 days). If the tenant does not repair the violations within the specified period, DHNP will terminate housing assistance to the family. The owner will be notified of this action and will be provided 30 days’ notice that the HAP contract will also terminate.

M. Housing Quality Standards Re-inspection Fee 24 CFR 982.405

In an effort to reduce the administrative costs of conducting multiple inspections for previously cited units with deficiencies, DHNP will assess a non-refundable re-inspection fee to the owner/agent for any 3rd or more inspection attempt.

**DHNP will not assess a re-inspection fee for the following:**

- Any deficiency caused by the tenant/participant;
- In instances where DHNP could not gain access to the unit;
- New deficiencies identified during a re-inspection;
- Initial inspections;
- A regularly scheduled annual or biennial inspection;

DHNP will assess a fee of $25.00 for each visit on the 3rd inspection attempt or any inspection attempt thereafter during that inspection occurrence. In many instances, units which continue to fail the unit inspection will be subjected to the abatement of the housing assistance payment.

DHNP requires that the re-inspection fee be paid prior to the coordination of any subsequent inspection visit. The owner or agent must be present at the time of the inspection visit.
INTRODUCTION

The policies in this chapter reflect the amendments to the HUD regulations, which were implemented by the Quality Housing and Work Responsibility Act of 1998 for the Section 8 Tenant-Based Assistance Program. These amendments became effective on October 1, 1999, which is referred to as the “merger date”. These amendments complete the merging of the Section 8 Certificate and Voucher Programs into one program, called the Housing Choice Voucher Program.

All HCV participant families have been transitioned to the Housing Choice Voucher Program on or before October 1, 2001. Rent calculation methods for the Housing Choice Voucher Program are described at 24 CFR 982.505. The rent calculation formula is specific and is not subject to interpretation.

DHNP will determine rent reasonableness in accordance with 24 CFR 982.507(a). It is DHNP's responsibility to ensure that the rents charged by owners are reasonable based upon unassisted comparables in the rental market, using the criteria specified in 24 CFR 982.507(b).

This chapter explains DHNP's procedures for determination of rent-reasonableness, payments to owners, adjustments to the payment standards, and rent adjustments.

A. RENT TO OWNER IN THE HOUSING CHOICE VOUCHER PROGRAM

The only limitation on the amount of rent to owner is rent reasonableness (CFR 982.507). DHNP must demonstrate that the rent to owner is reasonable in comparison to rent for other comparable unassisted units.

In conducting the rent reasonable analysis, the DHNP will utilize industry standard software approved and acceptable to the Department of Housing and Urban Development.

Another factor that needs to be accounted for with regard to the ability of a client to lease a particular unit is that at the time a family initially receives tenant-based assistance for occupancy of a dwelling unit (whether it is a new admission or a move to a different unit) is if the gross rent for the unit is greater than the payment standard for the family, the family share may not exceed 40 percent of the family’s adjusted monthly income (CFR 982.508).

Except as provided in paragraph (a) 2 of 24 CFR 982.309, during the initial term of the lease, the owner/landlord may not raise the rent to tenant. The initial term must be no less than 12 months (one year).
B. MAKING PAYMENTS TO OWNERS [24 CFR 982.451]

Upon approval of the Lease and execution of a Housing Assistance Payment Contract, the Rental Housing Administrator, Program Coordinator (Supervisor), or the Department Director will authorize the commencement of payments to the owner on behalf of the eligible family.

Payments are made on a monthly basis to owners, and DHNP processes payments twice a month. In general, DHNP will attempt to ensure that the landlords receive the monthly checks by the first of each month. If the paperwork is not completed and processed by the payment deadline for the first of the month, DHNP processes a second check run on or about the fifteenth of each month. The initial payments for leases that begin after the first of the month will be prorated. Payments are made in accordance with the HAP and the approved lease for the unit. These payments will cover the difference between the contract rent (rent to owner) and the portion of rent payable by the family. All Payment requests must be signed by personnel authorized by the Director of the DHNP.

Payments are generated from the City of Virginia Beach Finance Department upon receipt of the check request/payment invoice from the DHNP. The check request/payment invoice details the payee, dollar amount of payment, type of payment, and the participant’s name and address. The City’s Finance Department assumes the responsibility for generating 1099’s and for keeping the required documentation.

Excess Payments

The total rent paid by the tenant plus the DHNP housing assistance payment to the owner may not exceed the contract rent. In the event that the DHNP overpays an owner in error, the owner must immediately return any excess payment to DHNP.

Owners who do not return excess payments will be subject to penalties as outlined in the "Owner or Family Debts to DHNP" Chapter 17 of this Administrative Plan.

Owners and tenants assisted by the Housing Choice Voucher program may not have unwritten financial agreements that exceed the rent to owner; such agreements are grounds for termination of the tenant’s voucher and/or removal of the owner’s property from the program.

Late Payments to Owners

It is a local business practice in the City of Virginia Beach for property managers and owners to charge tenants a reasonable late fee for rents not received by the owner or property manager by the due date, notwithstanding any grace period, which is typically five days past the first of the month.

Therefore, in keeping with generally accepted practices in the local housing market, DHNP must make housing assistance payments to the owner promptly and in accordance with the HAP contract.

DHNP will not be obligated to pay any late payment penalty if HUD determines that late payment is due to factors beyond DHNP’s control, such as a delay in the receipt of program
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[24 CFR 982.502, 982.503, 982.504, 982.505, 982.507]

funds from HUD. DHNP will use administrative fee income or the administrative fee reserve as its only source for late payment penalty.

DHNP will not use any program funds for the payment of late fee penalties to the owner.

**File Documentation for Exceptions**

All DHNP Rental Housing Staff are required to provide documentation in any file that has an exceptional issue, which affects payment.

**C. RENT REASONABLENESS DETERMINATIONS [24 CFR 982.507]**

DHNP will determine and document on a case-by-case basis that the approved rent is reasonable in comparison to rent for other comparable unassisted units in the market. This applies to all programs. Rent reasonableness will be conducted at initial move-ins and when the landlord/owner requests a rent increase.

DHNP will not approve a lease until DHNP determines that the initial rent to owner is a reasonable rent. DHNP must re-determine the reasonable rent before any increase in the rent to owner, and if there is a five percent decrease in the published FMR in effect 60 days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one year before the contract anniversary.

DHNP must re-determine rent reasonableness if directed by HUD and based on a need identified by DHNP's auditing system. DHNP 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.

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.

If requested, the owner must give DHNP information on rents charged by the owner for other units in the premises or elsewhere. DHNP will only request information on the owner's units elsewhere if DHNP has cause to demonstrate that the owner has a tendency to charge higher rents to program participants or if needed for rent reasonableness comparables.

The following items will be used for rent reasonableness documentation:

- Size (number of Bedrooms/square footage)
- Location
- Quality
- Amenities (bathrooms, dishwasher, air conditioning, etc.)
- Housing Services
- Age of unit
- Unit Type
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- Maintenance
- Utilities

Documentation
Rent Reasonableness determinations should be documented in files.

Rent Reasonableness Methodology
DHNP utilizes Nelrod a HUD approved vendor, who adheres to regulations on reasonable rent (24 CFR 982.4, 24 CFR 982.54(d) (15), 982.158(f) (7) and 982.507). The DHNP method is to consider the location, size, type, quality and age of the units, and the amenities, maintenance and utilities provided by the owner in determining comparability and the reasonable rent. Rent reasonableness is conducted at every initial move-in, unit transfer, request for rent increase from the owner, or if there is a 5% or more decrease in the published FMR in effect 60 days before the HAP anniversary.

From our SEMAP Methodology guide.
The market areas for rent reasonableness are zip codes and/or census within DHNP's jurisdiction. Owners may provide third party rent reasonableness information for DHNP consideration.

Deconcentration
DHNP Rental Housing Staff will perform outreach to encourage owners of suitable units located outside low income or minority concentration areas to participate in the HCV Program. Outreach determinations will take into consideration local rental market conditions in the City of Virginia Beach.

Outreach efforts may be conducted through landlord seminars, presentations to community group, civic leagues, local and regional training programs and conferences with various organizations. Additionally, newspaper notices may be published periodically to recruit new landlords for the program.

D. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM [24 CFR 982.503]
The Payment Standard is used to calculate the housing assistance payment for a family. In accordance with HUD regulation, and at DHNP’s discretion, the Voucher Payment Standard amount is set by DHNP between 90 percent and 110 percent of the HUD published FMR. This is considered the basic range. DHNP reviews the appropriateness of the Payment Standard annually when the FMR is published. In determining whether a change is needed, DHNP will ensure that the Payment Standard is always within the range of 90 percent to 110 percent of the new FMR, unless an exception payment standard has been approved by HUD.
DHNP may approve a higher payment standard within the basic range, if required as a reasonable accommodation for a family that includes a person with disabilities not to exceed 120% of the fair market rent.

E. ADJUSTMENTS TO PAYMENT STANDARDS [24 CFR 982.503]

Payment Standards may be adjusted, within HUD regulatory limitations, to increase Housing Assistance Payments in order to keep families' rents affordable. DHNP will not raise Payment Standards solely to make "high end" units available to Voucher holders. DHNP may use some or all of the measures below in making its determination whether an adjustment should be made to the Payment Standards.

Rent to Owner Increases

DHNP may review a sample of the units to determine how often owners are increasing rents and the average percent of increase by bedroom size.

Lowering of the Payment Standard

Lowering of the FMR may require an adjustment of the Payment Standard. Additionally, statistical analysis may reveal that the Payment Standard should be lowered. In any case, the Payment Standard will not be set below 90 percent of the FMR without authorization from HUD.

Financial Feasibility

Before increasing the Payment Standard, DHNP 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, DHNP will compare the number of families who could be served under a higher Payment Standard with the number assisted under current Payment Standards.

File Documentation

A file will be retained by DHNP for at least three years to document the analysis and findings to justify whether or not the Payment Standard was changed.

F. OWNER PAYMENT IN THE HOUSING CHOICE VOUCHER PROGRAM
(24 CFR 982.308(g)

The owner is required to notify DHNP, in writing, at least sixty days before any change in rent is scheduled to go into effect. Any requested increase in rent will be subject to rent reasonableness requirements. See 24 CFR 982.503.
INTRODUCTION

In accordance with HUD requirements, DHNP will reexamine the income and household composition of all families at least annually. Families will be provided accurate annual and interim rent adjustments. Recertification and interim examinations will be processed in a manner that ensures families are given reasonable notice of rent increases. All annual activities will be coordinated in accordance with HUD regulations. It is a HUD requirement that families report all changes in household composition. This Chapter defines DHNP's policy for conducting annual recertification and coordinating annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting.

A. ANNUAL ACTIVITIES [24 CFR 982.516, 982.405]

There are two activities DHNP must conduct on an annual basis. These activities will be coordinated whenever possible:

- Recertification of income and family composition
- HQS inspection

DHNP produces a monthly listing of units under contract to ensure that timely reviews of housing quality and factors related to total tenant payment/family share can be made.

Reexamination of the family's income and composition must be conducted at least annually.

Annual inspections: See "Housing Quality Standards and Inspections", Chapter 10.

Rent adjustments: See "Owner Rents, Rent Reasonableness and Payment Standards", Chapter 11.

B. ANNUAL RECERTIFICATION/REEXAMINATION [24 CFR 982.516]

Families are required to be re-certified/re-examined at least annually.

Income limits are not used as a test for continued eligibility at recertification

Moves Between Reexaminations

- When families move to another dwelling unit, an annual recertification will be scheduled. The anniversary date will match the beginning date of the new lease.

Reexamination Notice to the Family

DHNP will maintain a reexamination tracking system and the household will be notified by mail of the date and time for their appointment at least 120 days in advance of the anniversary date. If requested as an accommodation by a person with a disability, DHNP will provide the notice in an accessible format. DHNP 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.

**Completion of Annual Recertification**

DHNP will have all recertification for families completed before the anniversary date. DHNP should give families reasonable notice of any rent increase. DHNP reserves the right to conduct a mail recert.

**Persons with Disabilities**

Persons with disabilities who are unable to come to DHNP's office will be granted an accommodation, if so requested, by conducting the recertification process via mail or at the person's home.

**Collection of Information** [24 CFR 982.516(f)]

DHNP has established appropriate recertification procedures necessary to ensure that the income data provided by families is complete and accurate.

**Requirements to Attend**

All adult household family members will be required to attend the recertification briefing and/or sign required recertifications documents.

**Failure to Respond to Notification to Recertify**

The family may call to request another appointment date no later than ten days prior to the interview. If the family does not complete the recertification process, and has not rescheduled or made prior arrangements with DHNP, then this will be considered a violation of the family obligations. The DHNP will mail a second (2) notice. If the head of household does not respond to the second notice, a proposed termination notice to both the participant and the owner will be mailed. The termination notice must also inform the participant of his or her right to a hearing. *(HCV Guidebook Chapter 12-3)*

Exceptions to these policies may be made by the HCV Administrator, Coordinator or Director of Housing, if the family is able to document an emergency situation that prevented them from canceling or attending the appointment or if requested as a reasonable accommodation for a person with a disability.

**Documents Required From the Family** [24 CFR 982.517a (2)]

In the notification letter to the family, DHNP will include instructions for the family to submit
documents necessary to complete recertification process.

**Verification of Information**

DHNP will follow the verification procedures and guidelines described in Chapter 7 of this plan. Verifications for reexaminations must be no more than 120 days old on the re-exam effective date.

**Tenant Rent Increases (HCV guidebook Chapter 12-6)**

*Increases* are effective on the first day of the month after reasonable advance notice to the family. *Decreases* in the family’s share of the rent are effective on the first day of the month following the change. Tenant rent decreases do not require a 30-day notice.

**Tenant Rent Decreases**

If tenant rent decreases, it will be effective on the anniversary date, even if the notice is mailed less than thirty days before the scheduled effective date, as long as it is received prior to the effective date.

If the family causes a delay so that the processing of the reexamination is not complete by the anniversary date, rent change will be effective on the first day of the month following completion of the reexamination processing by DHNP.

**C. REPORTING INTERIM CHANGES [24 CFR 982.516]**

Program participants must report all changes in household composition within 10 days to DHNP. This includes additions due to birth, adoption, court-awarded custody or guardianship, and any marriages, and deaths. The family must obtain approval from V BDHNP prior to all other additions to the household.

If any new family member is added, family income must include any income of the new family member. DHNP will conduct an interim reexamination to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the first interim or regular recertification after moving into the unit.

**Increases in Household Income**

Families must report income increases of $500.00 (gross) a month or $6000.00 (gross) a year or more in writing. **Participants have ten (10) days to report this income increase, unless reasonable accommodation has been granted.** Families who fail to report these changes may be terminated from the housing program and/or be required to enter into a “repayment agreement”.

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Interim Reexamination Policy

DHNP will conduct interim reexaminations when families experience an annual income increase of $500.00 (gross) a month, or $6000.00 (gross) a year or more.

Decreases in Income

Participants may report a decrease in income and other changes, in writing, which would reduce the amount of tenant rent. DHNP must calculate the change if a decrease in income is reported. The change in tenant income will become effective on the first of the month following the decrease notification providing verification is received.

DHNP Errors

If DHNP makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted, if necessary, to correct the error. The family will not be charged retroactively. Decreases in rent will be retroactively applied, when applicable, retroactive to when the decrease for the change would have been effective if calculated correctly.

D. OTHER INTERIM REPORTING ISSUES

An interim reexamination does not affect the date of the annual recertification.

Any changes reported by participants other than those listed in this section will be noted in the file by the staff person but will not be processed between regularly scheduled annual re-certifications.

E. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS [24 CFR 5.615]

DHNP will not reduce the family share of rent for families whose welfare assistance is reduced due to sanctions, which is a reduction in benefits by the welfare agency specifically because of:

- Fraud in connection with the welfare program, or
- Noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

However, DHNP will reduce the rent if the welfare assistance reduction is a result of:

- The expiration of a lifetime time limit on receiving benefits, or
- A situation where the family has complied with welfare program requirements but cannot or has not obtained employment, or
Chapter 12
RECERTIFICATIONS/REEXAMINATIONS
[24 CFR 982.516]

• A situation where a family member has not complied with other welfare agency requirements.

Imputed Welfare Income

The amount of annual income, not actually received by a family, as a result of a specified welfare benefit reduction, that is included in the family’s income for purposes of determining rent.

The amount of imputed welfare income is determined by DHNP, based on written information supplied to DHNP by the welfare agency, including:

• The amount of the benefit reduction
• The term of the benefit reduction
• The reason for the reduction
• Subsequent changes in the term or amount of the benefit reduction

The family's annual income will include the imputed welfare income, as determined at the family's annual or interim reexamination, during the term of the welfare benefits reduction (as specified by the welfare agency).

The amount of imputed welfare income will be offset by the amount of additional income the family receives that commences after the sanction was imposed. When additional income from other sources is at least equal to the imputed welfare income, the imputed welfare income will be reduced to zero.

If the family was not an assisted resident when the welfare sanction began, imputed welfare income will not be included in annual income.

If the family claims the amount of imputed welfare income has been calculated incorrectly, the HCV Coordinator will review the calculation for accuracy. If the imputed welfare income amount is correct, DHNP will provide a written notice to the family that includes:

• A brief explanation of how the amount of imputed welfare income was determined;

• A statement that the family may request an informal hearing if they do not agree with DHNP determination.

If after the review the HCV Coordinator determines the calculation was incorrect, the imputed welfare income will be re-calculated, and an adjustment made to the tenant portion of rent.
Verification Before Denying a Request to Reduce Rent

DHNP will obtain written verification from the welfare agency stating that the family’s benefits have been reduced due to fraud or noncompliance with welfare agency economic self-sufficiency or work activities requirements before denying the family’s request for rent reduction.

DHNP will rely on the welfare agency’s written notice to DHNP regarding welfare sanctions.

Cooperation Agreements [24 CFR 5.613]

DHNP has executed a Memorandum of Understanding with the local welfare agency to ensure timely and accurate verification of noncompliance.

F. NOTIFICATION OF RESULTS OF RECERTIFICATIONS [HUD Notice PIH 98-6]

The HUD Form 50058 will be completed and transmitted as required by HUD.

The Notice of Rent Change is mailed to the owner and the tenant. If the family disagrees with the rent adjustment, they may request an informal hearing.

G. CHANGES IN VOUCHER SIZE AS A RESULT OF FAMILY COMPOSITION CHANGES [24 CFR 982.516(c)]

(See "Occupancy Standards", Chapter 5.)

H. CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES [24 CFR 5.518; cv5.520]

Under the Noncitizens Rule, "mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members.

The Noncitizens Rule was implemented on or after November 29, 1996, and mixed families shall receive prorated assistance as described in 24 CFR 5.520.

I. MISREPRESENTATION OF FAMILY CIRCUMSTANCES

If any participant deliberately misrepresents the information on which eligibility or tenant rent is established, DHNP may terminate assistance and may refer the family file/record to the proper authorities for appropriate disposition. (See Program Integrity, Addendum J-1.)
Chapter 13
MOVES WITH CONTINUED ASSISTANCE/PORTABILITY
[24 CFR 982.314, 982.353, 982.355(a)]

INTRODUCTION

HUD regulations permit families to move with continued assistance to another unit within DHNP's jurisdiction, or to a unit outside of DHNP's jurisdiction under portability procedures. The regulations also allow DHNP the discretion to develop policies which define any limitations or restrictions on moves. This chapter defines the procedures for moves, both within and outside of DHNP's jurisdiction, and the policies for restriction and limitations on moves.

A. ALLOWABLE MOVES

A family may move to a new unit with continued assistance if they meet one or more of the following criteria:

- The assisted lease for the old unit has terminated because DHNP has terminated the HAP contract for owner breach, or the lease was terminated by mutual agreement of the owner and the family.

- The owner has given the family a notice to vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the family (unless assistance to the family will be terminated).

- The family has given proper notice of lease termination (and if the family has a right to terminate the lease on notice to owner).

- The family, or member of the family, is or has been the victim of domestic violence, dating violence as provided in 24 CRF part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking) and the move is needed to protect the health or safety of the family or family member.

B. RESTRICTIONS ON MOVES [24 CFR 982.314, 982.552(a)]

Families will not be permitted to move within DHNP's jurisdiction during the initial year of assisted occupancy.

Families will not be permitted to move outside DHNP's jurisdiction under portability procedures during the initial year of assisted occupancy.

Families will not be permitted to move more than once in a 12-month period.

DHNP may deny permission to move if there is insufficient funding for continued assistance. DHNP will deny permission to move if:

- The family has violated a family obligation.
• The family owes DHNP money.

The HCV Administrator, Program Coordinator or Director of DHNP may make exceptions to these restrictions if there is an emergency reason for the move over which the participant has no control.

C. PROCEDURE FOR MOVES [24 CFR 982.314]

Issuance of Voucher

Subject to the restrictions on moves, DHNP will issue the voucher to move after receiving a written request from the family (see Notice Requirements below).

If the family does not locate a new unit, they may remain in the current unit so long as the owner permits.

The annual recertification date will be changed to coincide with the new lease-up date.

Notice Requirements

Briefing sessions emphasize the family's responsibility to give the owner and DHNP proper written notice of any intent to move.

The family must give the owner a written intent to vacate notice within the required number of days specified in the lease and must give a copy to DHNP at the same time. A family’s failure to comply will be a breach of family obligations under the program.

Time of Contract Change

A move within the same building or project, or between buildings owned by the same owner, will be processed like any other move.

In a move, assistance stops at the old unit at the end of the month in which the participant ceased to occupy, unless proper notice was given to end a lease midmonth. Assistance will start on the new unit on the effective date of the lease and contract. Assistance payments may overlap for the month in which the family moves.

Mutual Agreement.

Where both participant family and owner agree to terminate the executed lease prior to the end of the lease, both parties will be required to sign a “Mutual Agreement” form. DHNP will supply the family with a Mutual Agreement Form and instruct the family on how to proceed. Upon receipt of the signed agreement by both parties, DHNP will approve the move request and issue the family their voucher.
D. PORTABILITY [24 CFR 982.353]

Portability applies to families moving out of or into DHNP's jurisdiction within the United States and its territories.

E. OUTGOING PORTABILITY [24 CFR 982.353, 982.355]

A participant family has the right to receive HCV assistance to lease a unit outside DHNP’s jurisdiction, anywhere in the United States and its territories that administers an HCV program. When a family requests to move outside of DHNP's jurisdiction, the request must specify the area to which the family wants to move. DHNP will issue a voucher valid for a period for sixty (60) days.

If there is more than one HA in the area in which the family has selected a unit, the HA will choose the receiving PHA.

Restrictions on Portability

Applicants

If neither the head nor spouse had a domicile (legal residence) in DHNP's jurisdiction at the date of their initial application for assistance, the family will not be permitted to exercise portability upon initial issuance of a voucher unless the portability request is a reasonable accommodation for a disabled family.

Participants

After an applicant has leased-up in the jurisdiction of the initial housing agency, they cannot exercise portability during the first year of assisted occupancy, except in the following circumstances.

- The request is a reasonable accommodation for a disabled family.

DHNP will not permit families to exercise portability:

While operating under Insufficient Funding, if the receiving localities Payment Standards in effect are higher than DHNP’s and they refuse to absorb the voucher

- If the family is in violation of a family obligation.

- If the family owes money to DHNP.

- If the family has moved out of its assisted unit in violation of the lease.
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MOVES WITH CONTINUED ASSISTANCE/PORTABILITY
[24 CFR 982.314, 982.353, 982.355(a)]

- If the family is not income eligible for the receiving PHA’s jurisdiction.

F. **INCOMING PORTABILITY** [24 CFR 982.353, 982.355]

**Absorption or Billing**

The DHNP reserves the right to absorb or bill any valid Housing Choice Vouchers from other jurisdictions.

If DHNP decides to accept the portability voucher, the family will be issued a conditional voucher by DHNP. The term of the DHNP conditional voucher will not expire before the expiration date of any initial PHA voucher. The family must submit a request for tenancy approval for an eligible unit to the receiving PHA during the term of the receiving PHA voucher. The receiving PHA's policies will prevail.

DHNP will issue a "portability voucher" according to its own Subsidy Standards. If the family has a change in family composition which would change the voucher size, DHNP will change to the proper size based on its own Subsidy Standards.

At the family’s request, DHNP will contact the initial PHA and ask if the family is an Earned Income Disallowance (EID) or Family Self- Sufficiency (FSS) family.

DHNP will also contact the initial or sending housing agency or agency and ask if the family is enrolled in the Family Self-Sufficiency (FSS) program. If the family is enrolled in the FSS program, DHNP will request the FSS record and a check for the FSS escrow amount, if any.

DHNP may grant voucher extensions in accordance with Chapter 8 of this plan. However, if the family decides not to lease-up in DHNP's jurisdiction, they must contact the initial DHNP to request a change in the receiving PHA.

**Income and Total Tenant Payment of Incoming Portables** [982.353(d)]

As receiving PHA, DHNP will conduct a recertification interview but only verify the information provided if the documents are missing, or are over 60 days old, or if there has been a change in the family's circumstances.

If DHNP conducts a recertification of the family it will not cause a delay in the issuance of a voucher.

**Requests for Tenancy Approval**

A briefing will be mandatory for all portability families.
When the family submits a Request for Tenancy Approval, it will be processed using DHNP's policies.

If the family leases up successfully, DHNP will notify the initial PHA within ten days, and the billing process will commence.

DHNP will notify the initial PHA if the family fails to submit a request for tenancy approval for an eligible unit within the term of the voucher.

If DHNP denies assistance to the family, DHNP will notify the initial PHA within 10 days and the family will be offered a review or hearing.

DHNP will notify the family of its responsibility to contact the initial PHA if the family wishes to move outside DHNP's jurisdiction under continued portability.

**Regular Program Functions**

DHNP will perform all program functions applicable to the tenant-based assistance program, such as:

- Annual reexaminations of family income and composition;
- Annual inspection of the unit; and
- Interim examinations when requested or deemed necessary by DHNP

**Terminations**

DHNP, if billing, will notify the initial DHNP in writing of any termination of assistance within five days of the termination. If an informal hearing is required and requested by the family, the hearing will be conducted by DHNP, using the regular hearing procedures in Chapter 18 of this plan. A copy of the hearing decision will be furnished to the initial PHA.

The initial DHNP will be responsible for collecting amounts owed by the family for claims paid and for monitoring repayment. If the initial DHNP notifies DHNP that the family is in arrears or the family has refused to sign a payment agreement, DHNP will terminate assistance to the family.

**Required Documents**

As receiving PHA, DHNP will require the documents listed on the HUD Portability Billing Form from the initial PHA.

**Billing Procedures**
As receiving PHA, DHNP will bill the initial PHA monthly for housing assistance payments, administrative fees, and special claims.

DHNP will notify the initial DHNP of changes in subsidy amounts and will expect the initial DHNP to notify DHNP of changes in the administrative fee amount to be billed. See Notice PIH 2012-42 (HA).

G. VETERANS ADMINISTRATION SUPPORTIVE HOUSING (VASH)

The DHNP is participating in the joint HUD and VA program called VASH. VASH provides tenant based vouchers to eligible veterans. The DHNP processes veterans who receive their initial screening from the Veterans Administration Medical Center. Under program regulations the VA maintains a waiting list of eligible clients and, after an initial eligibility screening, directs those clients to DHNP for voucher issuance. The VASH Program is being referenced in this section of the Administrative Plan due to the extensive portability requirements and processes that are singular to this initiative.

The VASH Program has some processing procedures that are different than the regular Housing Choice Voucher program. These differences along with a delineation of procedures for VASH are described in HUD Federal Register Notices issued May 6, 2008 and May 19, 2008. DHNP policy is to follow the directives outlined in those notices.

The Federal Register Notices cite the specific waivers and/or changes that apply to VASH but not to the regular tenant based voucher program. It should be noted that, unless expressly noted in the notices, all regulatory requirements and HUD directives regarding the HCV tenant-based program are applicable to HUD VASH vouchers, including the use of all HUD required contracts and forms. All of DHNP discretionary policies also apply to VASH voucher holders unless they are in conflict with HUD VASH regulatory requirements. See Notice PIH 2009-11 (HA)
INTRODUCTION

The Housing Assistance Payments (HAP) contract is the contract between the owner and DHNP, which defines the responsibilities of both parties. This chapter describes the circumstances under which the contract can be terminated by DHNP and the owner, and the policies and procedures for such terminations.

A. CONTRACT TERMINATION [24 CFR 982.311]

The term of the HAP contract is the same as the term of the lease. The contract between the owner and DHNP may be terminated by DHNP, or by the owner or tenant terminating the lease.

No future subsidy payments on behalf of the family will be made by DHNP to the owner after the month in which the contract is terminated. The owner must reimburse DHNP for any subsidies paid by DHNP for any period after the contract termination date.

If the family continues to occupy the unit after the HAP is terminated, the family is responsible for the total amount of rent due to the owner.

After a contract termination, if the family meets the criteria for a move with continued assistance, the family may lease-up in another unit. The contract for the new unit may begin after the 15th of the month in which the family moved from the old unit (overlapping lease).

B. TERMINATION BY THE FAMILY: MOVES [24 CFR 982.314(c) (2)]

Family termination of the lease must be in accordance with the terms of the lease.

C. TERMINATION OF TENANCY BY THE OWNER: EVICTIONS [24 CFR 982.310, 982.455]

During the term of the lease, the owner may not terminate the tenancy except for the grounds stated in the HUD regulations.

If the owner wishes to terminate the lease, the owner must provide proper notice as stated in the lease.

During the term of the lease, the owner may only evict for:

- Serious or repeated violations of the lease, including but not limited to failure to pay rent or other amounts due under the lease, or repeated violation of the terms and conditions of the lease;
- Violations of Federal, state or local law that imposes obligations on the participant in connection with the occupancy or use of the premises; or criminal
activity by the participant, any member of the household, a guest or another
person under the participant's control. The owner may also evict for any activity
that threatens the health, safety or right to peaceful enjoyment of other residents,
or persons residing in the immediate area. The owner may also evict for any drug-
related criminal activity in or near the unit.

- Other good cause.

**Evidence of Criminal Activity**

The owner may terminate tenancy and evict, by judicial action, a family for criminal activity by a
covered person if the owner determines they have engaged in the criminal activity regardless of
arrest or conviction.

**Actions of termination**

Actions of termination by the owner must be consistent with the fair housing and equal
opportunities as stated in 24 CFR 5.105.

The owner must provide the tenant a written notice specifying the grounds for termination of
tenancy, at or before the commencement of the eviction action. The notice may be included in, or
may be combined with, any owner eviction notice to the tenant.

The owner eviction notice means a notice to vacate, or a complaint, or other initial pleading used
under State or local law to commence an eviction action.

DHNP requires that the owner specify the section of the lease that has been violated and cite
some or all of the ways in which the tenant has violated that section as documentation for
DHNP’s decision regarding termination of assistance.

Housing assistance payments are paid to the owner under the terms of the HAP contract. If the
owner has begun eviction and the family continues to reside in the unit, DHNP must continue to
make housing assistance payments to the owner until the owner has obtained a court judgment or
other process allowing the owner to evict the tenant. If the action is finalized in court, the owner
must provide DHNP with the documentation, including notice of the lockout date.

DHNP must continue making housing assistance payments to the owner in accordance with the
contract as long as the tenant continues to occupy the unit and the contract is not violated. By
endorsing the monthly check from DHNP, the owner certifies that the tenant is still in the unit,
the rent is reasonable and he/she complies with the contract.
If an eviction is not due to a serious or repeated violation of the lease, and if DHNP has no other grounds for termination of assistance, DHNP may issue a new voucher so that the family can move with continued assistance.

**D. TERMINATION OF THE HAP CONTRACT BY DHNP**

[24 CFR 982.404(a), 982.453, 982.454, 982.552(a) (3)]

The term of the HAP contract terminates when the lease terminates, when DHNP terminates program assistance for the family, and when the owner has breached the HAP contract. (See "Owner Disapproval and Restriction" chapter)

DHNP may also terminate the contract if:

- DHNP terminates assistance to the family.
- The family is required to move from a unit when the unit does not meet the HQS space standards because of an increase in family size or a change in family composition.
- DHNP may terminate the HAP contract if funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

In the event that terminations are necessary due to funding constraints, we will develop a plan for termination based on family size and circumstances at the time. The plan will include the process for resumption of assistance once the financial constraint is resolved.

The contract will terminate automatically if 180 days have passed since the last housing assistance payment to the owner.

**Notice of Termination**

When DHNP terminates the HAP contract under the violation of HQS space standards, DHNP will provide the owner and family written notice of termination of the contract, and the HAP contract terminates at the end of the calendar month that follows the calendar month in which DHNP gives such notice to the owner.
INTRODUCTION

DHNP may deny, suspend, or terminate assistance for a family because of the family's action or failure to act. DHNP will provide families with a written description of the family obligations under the program, the grounds under which DHNP can deny or terminate assistance, and DHNP's Informal Hearing procedures. This chapter describes when DHNP is required to deny, suspend, or terminate assistance, and DHNP's policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP contract.

A. GROUNDS FOR DENIAL/TERMINATION [24 CFR 982.54, 982.552, 982.553]

If denial or termination is based upon behavior resulting from a disability, DHNP will delay the denial or termination in order to determine if there is an accommodation that would negate the behavior resulting from the disability.

Form of Denial/Termination

Denial of assistance for an applicant may include any or all of the following:

- Denial for placement on DHNP’s waiting list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a tenancy
- Refusing to process or provide assistance under portability procedures

Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a tenancy
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures
- Failure to provide/complete consent form
- Failure to document citizenship
- Failure to provide social security documentation
- Failure to comply with family obligation requirements
- Family has breached the terms of a repayment agreement
- Family no longer needs assistance
- DHNP determines that there are insufficient funds to pay for assisted families

Mandatory Denial and Termination [24 CFR 982.54 (d), 982.552(b), 982.553(a), 982.553(b)]

DHNP must terminate assistance for participants if the family is under contract and 180 days have elapsed since DHNP's last housing assistance payment was made. (See "Contract Terminations" chapter.)

DHNP must permanently deny assistance to applicants, and terminate the assistance of persons convicted of manufacturing or producing methamphetamine on the premises of federally assisted housing.
DHNP must deny admission to the program for applicants, and terminate assistance for program participants if DHNP determines that any household member is currently engaging in illegal use of a drug. See section B of this chapter for DHNP’s established standards.

DHNP must deny admission to the program for applicants, and terminate assistance for program participants if DHNP determines that it has reasonable cause to believe that a household member’s illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. See Section B of this chapter for DHNP’s established standards.

DHNP must deny admission to an applicant if DHNP determines that any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. See section B of this chapter for DHNP’s established standards regarding criminal background investigation and determining whether a member of the household is subject to a lifetime registration requirement under a State sex offender registration program.

DHNP must terminate program assistance for a family evicted from housing assisted under the program for serious violation of the lease.

DHNP must deny admission to the program for an applicant or terminate program assistance for a participant if any member of the family fails to sign and submit consent forms for obtaining information in accordance with Part 5, subparts B and F.

DHNP must deny admission or terminate assistance when required under the regulations to establish citizenship or eligible immigration status.

**Grounds for Denial or Termination of Assistance** [24 CFR 982.552(c)]

DHNP may deny program assistance for an applicant, or terminate program assistance for a participant, for any of the following reasons:

- If any member of the family has been evicted from federally assisted housing in the last five years.
- If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- If the family has engaged in or threatened abusive or violent behavior toward DHNP personnel. "Abusive or violent behavior towards DHNP personnel" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial. "Threatening" refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence. Actual physical abuse or violence will always be cause for termination.
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- If any member of the family engages in, or has engaged in drug or alcohol abuse that interferes with the health, safety or peaceful enjoyment of other residents or if any member of the family commits drug-related criminal activity, or other criminal activity. (See Section B of this chapter and 982.553 of the regulations)
- If any member of the family has been convicted of multiple felonies in the last five years commencing from the court disposition date or release from institution.
- If any member of the family has been convicted of domestic or non-domestic violence in the last five years from the court disposition date.
- If the Head of Household is absent from the subsidized unit for either thirty (30) or more consecutive days or a total of a thirty (30) day maximum within a year’s time. Absences of longer duration will be given special consideration and a possible exception granted.

If a family is terminated for failure to occupy a unit, readmission after this action can only come about through replacement on the Waiting List when it is open.

Violence Against Women Act (VAWA)

a. VAWA prohibits the eviction of, and removal of assistance from, certain persons living in public or Section 8-assisted housing if the asserted grounds for such action is an instance of domestic violence, dating violence, sexual assault, or stalking, as defined in Section 3 of the United States Housing Act of 1937 as amended by VAWA (42 U.S.C. 13925) and was published in PIH Notice 2006-23 issued June 23rd, 2006.

b. No applicant or participant in the HCV program who has been a victim of domestic violence, dating violence, or stalking shall be denied admission or assistance under the program if they are otherwise qualified.

c. An incident or incidents or actual or threatened domestic violence, dating violence, or stalking will not be construed as a serious or repeated violation of the lease by the victim or threatened victim of that violence, and shall not be good cause for terminating the assistance, tenancy, or occupancy rights of the victim of such violence.

d. DHNP may terminate the assistance to remove a lawful occupant or tenant who engages in criminal acts or threatened acts of violence or stalking to family members or others without terminating the assistance or evicting victimized lawful occupants (bifurcate).

e. DHNP will honor court orders regarding the rights of access or control of the property, issued to protect the victim and issued to address the distribution or possession or property among household members where the family “breaks up.”
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f. There is no limitation on the ability of DHNP to terminate assistance for other good cause unrelated to the incident or incidents of domestic violence, dating violence or stalking, other than the victim may not be subject to a more demanding standard than non-victims.

g. There is no prohibition on DHNP terminating assistance if it can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant’s (victim’s) assistance is not terminated.

h. Any protections provided by law, which give greater protection to the victim, are not superseded by these provisions.

i. As outlined in HUD notice H08-07 dated September 30, 2008, DHNP will require the Certification of Domestic Violence, Dating Violence, or Stalking Form HUD 91066, and HUD form 91067 Lease Addendum, which will revise the existing lease to reflect the statutory requirements of VAWA, to be completed and maintained with the tenant’s case file. These forms are required to be attached to each existing and/or new lease for cases, which fall under VAWA laws.

j. Definitions

The same definitions of “domestic violence,” “dating violence,” and “stalking,” and of “immediate family member” are provided in Sections 606 and 607. While definitions of domestic and dating violence refer to standard definitions in the Violence Against Women Act, the definition of stalking provided in Title VI is specific to the housing provisions. These are:

*Domestic Violence* – [as defined in Section 40002 of VAWA 1994] includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabiting with or has cohabited with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person’s acts under the domestic or family violence laws of the jurisdiction.”

*Dating Violence* – [as defined in Section 40002 of VAWA 1994] means violence committed by a person:

1. who is or has been in a social relationship of a romantic or intimate nature with the victim; and
2. where the existence of such a relationship shall be determined based on a consideration of the following factors:
   (i) The length of the relationship.
   (ii) The type of relationship.
(iii) The frequency of interaction between the persons involved in the relationship.”

_Stalking_ – [as defined in Section 40002 of VAWA 1994] “means to follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate another person; and to place under surveillance with the intent to kill, injure, harass or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to that person, a member of the immediate family of that person, or the spouse or intimate partner of that person.”

_Immediate Family Member_ - “means a spouse, parent, brother, sister, or child of that person, or an individual to whom that person stands in loco parentis; or any other person living in the household of that person and related to that person by blood or marriage

k. DHNP will require certification of victim status on the HUD-91066, Certification of Domestic Violence, Dating Violence, or Stalking, and HUD-91067 Lease Addendum.

l. Certification must be provided by the individual within 14 days after request by the HCV housing specialist or coordinator. If certification is not provided within 14 days, then the individual may be denied admission or terminated.

m. All information provided to DHNP pursuant to this section will be retained in strict confidence and will not be entered into a shared database or provided to any other entity. Disclosure is only allowable to the extent that disclosure is requested or consented to in writing by the individual.

**B. SCREENING AND TERMINATION FOR DRUG ABUSE AND OTHER CRIMINAL ACTIVITY**

**Purpose**

All federally assisted housing is intended to provide a place to live and raise families, not a place to commit crime, to use or sell drugs or terrorize neighbors. It is the intention of DHNP to fully endorse and implement a policy designed to:

- Help create and maintain a safe and drug-free community
- Keep our program participants free from threats to their personal and family safety
- Support parental efforts to instill values of personal responsibility and hard work
• Help maintain an environment where children can live safely, learn and grow up to be productive citizens
• Assist families in their vocational/educational goals in the pursuit of self-sufficiency

**Administration**

All screening and termination of assistance procedures shall be administered fairly and in such a way as not to violate rights to privacy or discriminate on the basis of race, color, nationality, religion, familial status, disability, sex, or other legally protected groups.

To the maximum extent possible, DHNP will involve other community and governmental entities in the promotion and enforcement of this policy.

**Screening of Applicants**

In an effort to prevent future drug related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or right to peaceful enjoyment of the premises by other residents, and as required by 24 CFR 982, Subpart L and CFR Part 5, Subpart J, DHNP will endeavor to screen applicants as thoroughly and fairly as possible for drug-related and violent criminal behavior.

Such screening will apply to any member of the household 18 years of age or older.

**HUD Definitions**

*Covered person*, for purposes of 24 CFR Part 982 and this chapter, means a tenant, any member of the tenant’s household, a guest or another person under the tenant’s control.

*Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

*Drug-related criminal activity* means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

*Guest*, for purposes of this chapter and 24 CFR part 5, subpart A and 24 CFR Part 982, means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. The requirements of part 982 apply to a guest as so defined.

*Household*, for the purposes of 24 CFR Part 982 and this chapter, means the family and DHNP-approved live-in aide.

*Other person under the tenant's control*, for the purposes of the definition of covered person and for 24 CFR Parts 5 and 982 and for this chapter, means that the person, although not staying as a guest (as defined in this chapter) in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has
express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not under the tenant’s control.

Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

**Standard for Violation**

DHNP may deny participation in the program to applicants and terminate assistance to participants in cases where DHNP determines there is reasonable cause to believe that a household member is illegally using drugs or abusing alcohol in a way that interferes with the health, safety or right to peaceful enjoyment of other residents.

DHNP may consider the use of a controlled substance or alcohol to be a pattern if there is more than one incident during the previous year.

“Engaged in or engaging in” violent criminal activity means any act within the ten (10) years from the court disposition date or release from institution by an applicant or participant or household member which involved criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage, did or did not result in the arrest and/or conviction of the applicant, participant, or household members.

The existence of the above-referenced behavior by any household member, regardless of the applicant or participant’s knowledge of the behavior, shall be grounds for denial or termination of assistance.

In evaluating evidence of negative past behavior, DHNP will give fair consideration to the seriousness of the activity with respect to how it would affect other residents, and/or likelihood of favorable conduct in the future which could be supported by evidence of rehabilitation.

**Drug Related and Violent Criminal Activity**

Ineligibility for Admission if Evicted for Drug-Related Activity: Persons evicted from federally assisted housing because of drug-related criminal activity are ineligible for admission to the HCV program for a 10-year period beginning on the date of such eviction.

However, the household may be admitted if, after considering the individual circumstances of the household, DHNP determines that:

- The evicted household member who engaged in drug-related criminal activity has successfully completed a local, state, or federal government supervised or certified drug rehabilitation program
- The circumstances leading to eviction no longer exist because:
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- The criminal household member has died.
- The criminal household member is imprisoned.

Applicants will be denied assistance if they have been evicted from federally assisted housing for violent criminal activity within the last 10 years prior to their briefing interview.

Termination of Assistance for Participants

Termination of Assistance for Drug-related Criminal Activity or Violent Criminal Activity

Under the family obligations listed at 24 CFR 982.551, the members of the household must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. HUD regulations at 24 CFR 982.553(b) requires DHNP to establish standards for termination of assistance when this family obligation is violated. DHNP has established the following standards for termination of assistance for the family when a household member has violated the family obligation to refrain from participating in drug-related or violent criminal activity.

Assistance will be terminated for participants who have been evicted from a unit assisted under any federally assisted housing program for drug-related or violent criminal activity during participation in the program, and within the last 10 years prior to the date of the notice to terminate assistance.

If any member of the household violates the family obligations by engaging in drug-related or violent criminal activity, DHNP will terminate assistance.

DHNP may permit the family to continue receiving assistance provided that family member determined to have engaged in the proscribed activities would not reside in the unit. If the violating member is a minor, DHNP may consider individual circumstances with the advice of Juvenile Court officials.

DHNP will waive the requirement regarding drug-related criminal activity if:

- The person demonstrates successful completion of a local, state, or federal supervised or certified rehabilitation program approved by the DHNP, or
- The circumstances leading to the violation no longer exist because the person who engaged in drug-related criminal activity or violent criminal activity is no longer in the household due to death or incarceration.

Terminating Assistance for Alcohol Abuse by Household Members

Under the family obligations listed at 24 CFR 982.551, the members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. Assistance will be terminated due to violation of a family obligation if DHNP determines that a member of the
household has demonstrated a pattern of alcohol abuse that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

Assistance will be terminated if a household member is convicted and/or incarcerated for any alcohol-related criminal activity in or near the unit within any six (6) month period.

DHNP may permit the family to continue receiving assistance provided that the household member(s) determined to have engaged in the proscribed activities will not reside in the unit. If the violating member is a minor, DHNP may consider individual circumstances with the advice of Juvenile Court officials.

**Other Criminal Activities**

**DHNP may deny admission or terminate assistance for multiple felony and misdemeanor convictions.**

**Notice of Termination of Assistance**

In any case, where DHNP decides to terminate assistance to the family, DHNP must give the family written notice, which states:

- The reason(s) for the proposed termination,
- The effective date of the proposed termination,
- The family's right, if they disagree, to request an Informal Hearing to be held before termination of assistance.
- The date by which a request for an Informal Hearing must be received by DHNP.

DHNP will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the Termination of Assistance. The Notice to the owner will not include any details regarding the reason for termination of assistance.

**Required Evidence**

*Preponderance of evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

*Credible evidence* may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants.

DHNP will terminate assistance for criminal activity by a household member if DHNP determines, based on a preponderance of the evidence, that the household member has engaged
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[24 CFR 5.902, 5.902, 5.903, 5.905, 982.4, 982.54, 982.552, 982.553]

in the activity, regardless of whether the household member has been arrested or convicted for such activity.

DHNP will pursue fact-finding efforts as needed to obtain credible evidence.

**Confidentiality of Criminal Records**

DHNP will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.

All criminal reports, while needed, will be housed in a locked file with access limited to individuals responsible for screening and determining eligibility for initial and continued assistance.

Misuse of the above information by any employee will be grounds for termination of employment. Legal penalties for misuses are contained in state and/or federal codes.

If the family is determined eligible for initial or continued assistance, the criminal report shall be shredded as soon as the information is no longer needed for eligibility or continued assistance determination.

If the family’s assistance is denied or terminated, the criminal record information shall be shredded immediately upon completion of the review or hearing procedures and a final decision has been made.

**C. FAMILY OBLIGATIONS [24 CFR 982.551]**

The family must supply any information that DHNP or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status (as provided by 24 CFR 982.551). "Information" includes any requested certification, release or other documentation.

The family must supply any information requested by DHNP or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.

The family must disclose and verify Social Security Numbers (as provided by 24 CFR 5.216) and must sign and submit consent forms for obtaining information in accordance with 24 CFR 5.230.

All information supplied by the family must be true and complete.

The family is responsible for an HQS breach caused by the family as described in 982.404(b).

The family must allow DHNP to inspect the unit at reasonable times and after reasonable notice.

The family may not commit any serious or repeated violations of the lease.
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The family must notify the owner and, at the same time, notify DHNP before the family moves out of the unit or terminates the lease upon notice to the owner.

The family must promptly give DHNP a copy of any owner eviction notice.

The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

The composition of the assisted family residing in the unit must be approved by DHNP. The family must promptly inform DHNP of the birth, adoption or court-awarded custody of a child. The family must request DHNP approval to add any other family member as an occupant of the unit.

The family must promptly notify DHNP if any family member no longer resides in the unit.

If DHNP has given approval, a foster child or a live-in aide may reside in the unit. If the family does not request approval or DHNP approval is denied, the family may not allow a foster child or live-in aide to reside with the assisted family.

Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit as a residence by members of the family and if such activities are permitted by the landlord as described in the lease.

The family must not sublease the unit.

The family must not transfer the lease or unit.

The family must supply any information or certification requested by DHNP to verify that the family is living in the unit. The family must cooperate with DHNP for this purpose. The family must promptly notify DHNP 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 or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. The members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

An assisted family, or members of the family, may not receive HCV 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.

**DHNP Discretion** [24 CFR 982.552(c)]
In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, DHNP has discretion to consider all of the circumstances in each case, including the seriousness of the case. DHNP will use its discretion in reviewing the extent of participation or culpability of individual family members and the length of time since the violation occurred. DHNP may also review the family’s more recent history and record of compliance and the effects that denial or termination of assistance may have on other family members who were not involved in the action or failure to act.

DHNP may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in, or were culpable for the action or failure to act, will not reside in the unit. DHNP may permit the other members of a family to continue in the program.

**Enforcing Family Obligations**

**Explanations and Terms**

The term "promptly" when used with the family obligations always means "within 10 working days." Denial or termination of assistance is always optional except where this Plan or the regulations state otherwise.

**HQS Breach**

The HQS inspector or the HQS inspector’s supervisor will determine if an HQS breach as identified in 24 CFR 982.404 (b) is the responsibility of the family. Families may be given extensions to cure HQS breaches by the HQS inspector or the HQS inspector’s supervisor.

**Lease Violations**

The following criteria will be used to decide if a serious or repeated violation of the lease will result in termination of assistance:

- If the owner terminates tenancy through court action for serious or repeated violation of the lease.

**Proposed Additions to the Family**

DHNP will deny a family's request to add additional family members who are:

- Persons who have been evicted from public housing.
- Persons who have previously violated a family obligation listed in 24 CFR 982.51 of the HUD regulations.
- Persons who have been part of a family whose assistance has been terminated under the Voucher program.
- Persons who commit drug-related criminal activity or violent criminal activity.
• Persons who do not meet HUD's definition of family.
• Persons who commit fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
• Persons who currently owe rent or other amounts to DHNP or to another PHA in connection with HCV or public housing assistance under the 1937 Act.
• Persons who have engaged in or threatened abusive or violent behavior toward DHNP personnel.

Family Member Move Out
Families are required to notify DHNP within 10 days if any family member leaves the assisted household. When the family notifies DHNP, they must furnish the following information:
• The date the family member moved out.
• Verification of the new address, if known, of the family member.
• A statement as to whether the family member is temporarily or permanently absent.

Limitation on Profit-Making Activity in Unit
If the business activity area results in the inability of the family to use any of the critical living areas, such as a bedroom utilized for a business, which is not available for sleeping, it will be considered a violation.

If DHNP 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 DHNP 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 he/she is a member of the assisted family.

Fraud
In each case, DHNP will consider which family members were involved, the circumstances, and any hardship that might be caused to innocent members.

In the event of false citizenship claims: (See section below)

D. PROCEDURES FOR NON-CITIZENS [24 CFR 5.514, 5.516, 5.518]

Denial or Termination due to Ineligible Immigrant Status
Applicant or participant families in which all members are neither U.S. citizens nor eligible immigrants are not eligible for assistance and must have their assistance terminated. DHNP must
offer the family an opportunity for an Informal Review or Hearing. (See "Eligibility for Admission" Chapter 2, Section E on Citizenship/Eligible Immigration Status.) Assistance may not be terminated while verification of the participant family's eligible immigration status is pending.

**False or Incomplete Information**

When DHNP has clear, concrete, or substantial documentation (such as a permanent residency 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, DHNP will give him/her an opportunity to provide a new declaration as an eligible immigrant. They will be given an opportunity to elect not to contend their status.

DHNP will then verify eligible status, deny, terminate, or prorate as applicable.

DHNP will deny or terminate assistance based on the submission of false information or misrepresentation.

**Procedure for Denial or Termination**

If the family (or any member) claimed eligible immigrant status and the INS primary and secondary verifications failed to document the status, the family may make an appeal to the INS and request a hearing with DHNP either after the INS appeal or in lieu of the INS appeal.

After DHNP has made a determination of ineligibility, the family will be notified of the reasons and informed of the option for prorated assistance (if applicable).

**E. ZERO ($0) ASSISTANCE TENANCIES** [24 CFR 982.455 (a)]

The family may remain in the unit at $0 assistance for up to 180 days after the last HAP payment. If, within the 180-day timeframe, an owner rent increase or a decrease in the Total Tenant Payment causes the family to be eligible for a housing assistance payment, DHNP will resume assistance payments for the family.

In order for a family to move to another unit during the 180 days, the rent for the new unit would have to be high enough to necessitate a housing assistance payment.

**F. OPTION NOT TO TERMINATE FOR MISREPRESENTATION** [24 CFR 982.551, 982.552(c)]

If the family has intentionally misrepresented any facts that caused DHNP to overpay assistance, DHNP will terminate the HCV assistance, and execute a Repayment Agreement. The family has a right to appeal the termination, and will be given instructions on how to request an Informal Hearing.
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G. MISREPRESENTATION IN COLLUSION WITH OWNER
[24 CFR 982.551, 982.552 (c)]

If the family intentionally, willingly, and knowingly commits fraud or is involved in any other illegal activity with the owner, DHNP will deny or terminate assistance.

In making this determination, DHNP will carefully consider the possibility of overt or implied intimidation of the family by the owner and the family's understanding of the events.

H. MISSED APPOINTMENTS AND DEADLINES [24 CFR 982.551, 982.552 (c)]

It is a family obligation to supply information, documentation, and certification as needed for DHNP to fulfill its responsibilities. DHNP schedules appointments and sets deadlines in order to obtain the required information. The obligations also require that the family allow DHNP to inspect the unit, and appointments are made for this purpose.

An applicant or participant who fails to keep two appointments, or to supply information required by a deadline without notifying DHNP, will be sent a Proposed Termination of Assistance for failure to provide required information, or for failure to allow DHNP to inspect the unit.

The family will be given information about the requirement to keep appointments and the number of times appointments will be rescheduled, as specified in this plan.

Appointments will be scheduled and time requirements will be imposed for the following events and circumstances:

- Eligibility for Admissions
- Verification Procedures
- Certificate/Voucher Issuance and Briefings
- Housing Quality Standards and Inspections
- Recertifications
- Appeals
- Hearings

Acceptable reasons for missing appointments or failing to provide information by deadlines are:

- Medical emergency
- Incarceration
- Family emergency
INTRODUCTION

The integrity of the housing program is important to DHNP’s commitment to providing safe and habitable housing. DHNP seeks to build an acceptable owner base with willing owners who employ excellent property management practices. DHNP has the authority to disapprove, or suspend from program participation owners who fail to meet the quality standards required to participant in the program. Restriction from participation means that DHNP will not enter into a new HAP contract with the owner for a period. Reinstatement of Owners who fail to meet the requirements of the housing payment contract may be restricted from future participation in the housing assistance program for an indefinite period of time. Consequently, DHNP reserves the right to terminate or suspend some or all existing HAP contracts, and or new contract requests.

A. DISAPPROVAL OF OWNER PARTICIPATION [24CFR 982.306, 982.54(d) (8), 982.453]

DHNP may disapprove or suspend participation for reasons of program or contract non-compliance, or disapproval by federal, state or local authority. Written notification will be given to owners of any actions initiated under this chapter. The following violations highlight DHNP’s areas of disapproval of owner program participation:

Definition of owner:
For purposes of this section, “owner” includes any person or entity that enters into a HAP contract that is a principal or partial, direct or indirect interested party, and has the right to enter into a lease.

- HUD has informed DHNP that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24CRF part 24.1
- HUD has informed DHNP that the federal government has instituted an administrative or judicial action against the owner for violations of the “Fair Housing Act” or other federal equal opportunity requirements and such action is pending.
- HUD has informed DHNP 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, grandchild, sister or brother of any family member. DHNP will waive this restriction as a reasonable accommodation for a family member who is a person with a disability.
- In cases where owner and the tenant bear the same last name, DHNP will require the family and or owner to certify whether they are related to each other in any way.
• The owner has violated obligations under a housing assistance payment contract. [Section 8 of the 1937 Act (42 U.S.C. 1437 (f))]

• The owner has committed fraud, bribery or any other corrupt act in connection with any federal housing program.

• The owner has engaged in drug related criminal activity or any violent criminal activity.

• The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based housing programs or with applicable housing standards for units leased with project-based HCV (Section-8) assistance, or leased under any other federal housing program.

• The owner has a history or practice of renting units, which fail to meet state or local housing codes.

• The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under the HCV (Section-8) or any other federally assisted housing program for activity by the tenant, any other member of the household, a guest or another person under the control of any member of that household that:
  - Threatens the right to peaceful enjoyment of the premises by other residents.
  - Threatens the health and safety of other residents, or employees of DHNP, or of owner’s employees, or other persons engaged in management of the housing.
  - Threatens the health and safety of, or the right to peaceful enjoyment of their residents, by persons residing in the immediate vicinity of the premises, or is drug related criminal activity or violent criminal activity.

• The owner has not paid state or local real estate taxes, fines or assessments.

• The owner has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD.

If an owner has committed fraud or abuse or is guilty of frequent or serious contract violations, DHNP will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. DHNP may also terminate some or all HAP contracts with the owner.
Before imposing any penalty against an owner, DHNP will review all relevant factors pertaining to the case, and will consider such factors as the owner’s record of compliance and the number and severity of the violations.

Non-compliance with HQS standards or history of failure to meet state of local housing codes means:

- 4 or more abatements in the preceding 12 months.
- 2 or more HAP contract cancellations in the preceding 12 months.
- 6 or more HQS violations (including inoperable utilities) at the time of the inspection.
- Owner is cited by local code enforcement for serious property code violations, and these violations have not been corrected.

See Program Integrity Addendum for guidance as to how owner fraud will be handled.

**B. OWNER SUSPENSION PROCESS**

Owners who have been suspended from program participation in the HCV (Section-8) housing assistance program will be notified in writing of DHNP’s decision to suspend. Owners may be suspended from future program participation for any of the above listed violations. Suspended owners will not be permitted to enter into a HAP contract with DHNP, or the existing HAP contract may be terminated. Suspension periods will depend upon the circumstances. Generally, owners who are suspended from program participation will not be permitted to participate in the housing program for one year.

In situations where the existing HAP contract is terminated, DHNP will immediately notify the impacted families, and work with those families to relocate them to acceptable housing.

Owner suspension process includes the documentation of the violation, an evaluation of violation severity, written notice to the owner, a follow up meeting with owner, and compliance plan.

The compliance plan identifies requirements for program participation reinstatement.

**C. REINSTATEMENT OF OWNER PARTICIPATION**

Owners who have been suspended from program participation are required to submit a request in writing for reinstatement into consideration for the HCV (Section 8) assistance program participation. Reinstatement participation depends upon DHNP’s evaluation of the owner’s efforts to comply with the established compliance plans. In the event DHNP determines that efforts by the owner are not adequate, the suspension may be extended for an additional period.

DHNP may permanently deny an owner from future participation in the housing assistance
program if it is determined to be in the best interest of DHNP.

DHNP will maintain a list of owners who are not permitted to participate in the HCV (Section 8) program and provide a list to its tenant base participants.

**D. CHANGE IN OWNERSHIP**

A change in ownership requires execution of a new HAP contract and lease.

DHNP will process a change of ownership only upon the written request of the new owner and only if accompanied by a copy of the escrow statement or other document showing the transfer of title, recorded deed and the employee identification number or social security number of the new owner.
INTRODUCTION

This chapter describes DHNP's policies for the recovery of monies, which have been overpaid for families, and to owners. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is DHNP's policy to meet the informational needs of owners and families, and to communicate the program rules in order to avoid owner and family debts. Before a debt is assessed against a family or owner, the file must contain documentation to support DHNP's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner, the family or other interested parties.

When families or owners owe money to DHNP, DHNP will make every effort to collect it. DHNP will use a variety of collection tools to recover debts including, but not limited to:

- Requests for lump sum payments
- Civil suits
- Repayment Agreements
- Withholding of future HAP payments to offset debt
- Collection agencies
- Credit bureaus
- Income tax set-off programs
- Treasurers Liens

A. REPAYMENT AGREEMENT FOR FAMILIES [24 CFR 982.552 (c) (v-vii)]

A repayment agreement is a formal document signed by a tenant or owner and provided to DHNP in which a tenant or owner acknowledges a debt owed to DHNP, in a specific amount, and agrees to repay the amount due at specific time period (s).

DHNP 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 DHNP.
Chapter 17

OWNER OR FAMILY DEBTS TO DHNP

[24 CFR 982.552]

B. DEBTS OWED TO DHNP [24 CFR 792.103, 982.552 (c) (v-vii)]

If the family breaches an agreement with the DHNP to pay amounts owed to us or amounts paid to an owner (overpayment) by us, DHNP, may, at our discretion, may offer a family the opportunity to enter into a Repayment Agreement to repay amounts owed to DHNP or repay DHNP for an amount due to an overpayment of HAP funds to an owner.

Late Payments

A payment will be considered late if the payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

If the family's Repayment as per the Agreement is late, and the family has not contacted or made arrangements with DHNP, DHNP will issue a 30 day notice to terminate the housing assistance and pursue civil collection of the balance due. The tenant will be advised of their right to appeal the termination, and request an Informal Hearing.

If the family requests a move to another unit and has a Repayment Agreement in place for the repayment of an overpayment of HAP funds made to an owner, and the Repayment Agreement is not in arrears, the family will be permitted to move.

If the family requests a move to another unit and is in arrears on a Repayment Agreement for the payment of an overpayment of HAP funds made to an owner, the family must pay the past due amount before being permitted to move.

C. DEBTS DUE TO MISREPRESENTATIONS/NON-REPORTING OF INFORMATION [24 CFR 982.163]

HUD's definition of program fraud and abuse is a single act or pattern of actions that:

- Constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and that results in payment of HCV program funds in violation of HCV program requirements.

Family Error/ Late Reporting

Families who fail to report changes in income will be required to repay in accordance with the guidelines in the Repayment Agreement Section of this Chapter.
Program Fraud

Families who owe money to DHNP due to program fraud will be required to repay in accordance with the guidelines in the Repayment Agreement Section of this Chapter.

D. DEBTS DUE TO MINIMUM RENT TEMPORARY HARDSHIP

If the family owes DHNP money for rent arrears incurred during the minimum rent period, DHNP will calculate the total amount owed and divide it by 12 to arrive at a reasonable payback amount that the family will be required to pay to DHNP monthly in addition to the family's regular monthly rent payment to the owner. The family will be required to pay the increased amount until the arrears are paid in full to DHNP.

If the family goes into default on the Repayment Agreement for back rent incurred during a minimum rent period, DHNP will reevaluate the family's financial situation and determine whether the family has the ability to pay the increased rent amount and if not, restructure the existing Repayment Agreement.

E. GUIDELINES FOR REPAYMENT AGREEMENTS [24 CFR 982.552(c) (v-vii)]

Repayment agreements will be executed between the city of Virginia Beach and the head of household/co-head or head of household and spouse when the amount of indebtedness is $3,000 or less. Debts exceeding that amount will be forwarded to the Commonwealth Attorney for prosecution under the fraud statutes.

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 percent of the family’s monthly adjusted income. However, PHAs have the discretion to establish thresholds and policies for repayment agreements in addition to HUD required procedures.

Example:

- Family’s monthly-adjusted income is $1,230.
- Family’s monthly rent payment is $369 (30% of the family’s monthly-adjusted income).
- 40% of the family’s monthly-adjusted income is $492.

The monthly payment for the repayment agreement should not exceed $123 per month ($369 monthly rent + $123 repayment = $492, 40% of the family’s monthly adjusted income.)
Repayment Time Period. Tenants have the option to repay the retroactive rent balance as follows:

1. In a lump sum payment; or
2. Monthly installment; or
3. A combination of 1 and 2, above
   a. For example, a tenant may owe $1,000, make a lump sum payment of $300 and enter into a repayment agreement for the remaining balance of $700.

Payments may be made by money order or cashier's check.

The agreement will be in default when a payment is not received by the 10th day of the month.

Monthly payments may be decreased in cases of family hardship and if requested with reasonable notice from the family, verification of the hardship, and the approval of the Rental Housing Administrator, or Program Coordinator. An amended Repayment Agreement will be executed.

No move will be approved unless the Repayment Agreement is current or the move is the result of one of the following:

- Family size exceeds the HQS maximum occupancy standards
- The HAP contract is terminated due to owner non-compliance or opt-out
- A natural disaster

If the tenant refuses to enter into a repayment agreement or fails to make payments on an existing or new repayment agreement, the PHA must terminate the family’s tenancy or assistance, or both. HUD does not authorize any PHA-sponsored amnesty or debt forgiveness programs (PIH notice 2010-19).

Additional Monies Owed: If the family already has a Repayment Agreement in place and incurs another debt to DHNP, upon review the additional debt may be added to the existing Repayment Agreement, and an amended Repayment Agreement will be executed.

F. OWNER DEBTS TO DHNP [24 CPR 982.453(b)]

If DHNP determines that the owner has retained housing assistance payments that the owner is not entitled to, DHNP may reclaim the amounts from future housing assistance payments owed by the owner for any units under contract.

If future housing assistance or claim payments are insufficient to reclaim the amounts owed, DHNP will enter into a Repayment Agreement with the owner for the amount owed.
If the owner falls in arrears, DHNP will pursue collections through the local court system and the owner will be restricted from future participation.
INTRODUCTION

The informal hearing requirements defined in HUD regulation are applicable to participating families who disagree with an action, decision, or inaction of DHNP. This chapter describes the policies, procedures and standards to be used when families disagree with a DHNP decision. The procedures and requirements are explained for preference denial meetings, informal reviews and hearings. It is the policy of DHNP to ensure that all families have the benefit of all protections due to them under the law.

A. COMPLAINTS TO DHNP

DHNP will respond promptly to complaints from families, owners, employees, and members of the public. All complaints will be documented. Complaints may be reported in writing or by telephone. DHNP Informal Reviews/Hearings procedures will be provided to families in the briefing packet.

Categories of Complaints

Complaints from families/ owners: If a family/owner disagrees with an action or inaction of DHNP, it will be referred to the HCV Program Coordinator. If a complaint is not resolved, it will be referred to the Rental Housing Administrator.

Complaints from staff: If a staff person reports an owner either violating or not complying with program rules, the complaint will be referred to the HCV Program Coordinator.

Complaints from the general public: Complaints or referrals from the general public about DHNP, a family or an owner will be referred to the HCV Program Coordinator. If a complaint is not resolved, it will be referred to the Rental Housing Administrator.

B. INFORMAL REVIEW PROCEDURES FOR APPLICANTS
[24 CFR 982.54(d) (12), 982.554]

Reviews are provided for applicants who are denied assistance before the effective date of the HAP contract. The exception is that when an applicant is denied assistance for citizenship or eligible immigrant status, the applicant is entitled to an Informal Review.

When DHNP determines that an applicant is ineligible for the program, the family will be notified of their ineligibility in writing. The notice will contain:

- The reason(s) they are ineligible,
The procedure for requesting a review if the applicant doesn’t agree with the decision

The time limit for requesting a review.

When denying admission for criminal activity, DHNP will provide the subject with a copy of the evidentiary criminal record for their review.

DHNP will provide applicants with the opportunity for an informal review regarding denial decisions relating to:

- Listing on DHNP's waiting list
- Issuance of a voucher
- Participation in the program
- Assistance under portability procedures

Informal Reviews are not required for established policies, procedures, or DHNP determinations such as:

- Discretionary administrative determinations by DHNP
- General policy issues or class grievances
- A determination of the family unit size under DHNP subsidy standards
- Refusal to extend or suspend a voucher
- A DHNP determination not to grant approval of the tenancy
- Determination that unit is not in compliance with HQS
- Determination that unit is not in accordance with HQS due to family size or composition

**Procedures for an Informal Review**
A request for an informal review must be received in writing by the close of the business day, no later than 10 working days from the date of DHNP's notification of assistance denial.

DHNP will schedule an informal review session within 15 calendar days from the receipt of the request.

DHNP will appoint an informal hearing officer to conduct the informal review. This person will be someone not involved in the program termination decision under review, or a subordinate of this person.

The applicant will be given the option of presenting oral or written objections to the decision. Both DHNP and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense.

The review may be conducted by mail and/or telephone if acceptable to both parties.

A notice of the review findings will be provided in writing to the applicant within ten (10) business days after the review. It shall include the decision of the review official, and an explanation of the reasons for the decision.

All requests for a review, supporting documentation, and a copy of the final decision will be retained in the applicant’s file.

C. INFORMAL HEARING PROCEDURES [24 CFR 982.555(a-f), 982.54(d) (13)]

When DHNP makes a decision to terminate assistance, participants must be notified in writing. DHNP will give the family prompt notice of such determinations, which will include:

- The proposed action or decision of DHNP
- The date the proposed action or decision will be effective
- An explanation of the basis for DHNP's decision
- The procedures for requesting a hearing if the family disputes the action or decision
- The time limit for requesting the hearing
- To whom the hearing request should be addressed
- A copy of DHNP's hearing procedures
When terminating assistance for criminal activity as shown by a criminal record, DHNP will provide the subject of the record with a copy of the criminal record upon which the decision to terminate was based.

DHNP must provide participants with the opportunity for an informal hearing for decisions related to any of the following DHNP determinations:

- Determination of the family's annual or adjusted income and the computation of the housing assistance payment
- Appropriate utility allowance used from schedule
- Family unit size determination under DHNP subsidy standards
- Determination to terminate assistance for any reason
- Determination to terminate a family's FSS contract, withhold supportive services, or propose forfeiture of the family's escrow account

DHNP must always provide the opportunity for an informal hearing before termination of assistance.

Informal hearings are not required for established policies, procedures, and DHNP determinations such as:

- Discretionary administrative determinations by DHNP
- General policy issues or class grievances
- Establishment of DHNP schedule of utility allowances for families in the program
- A DHNP determination not to approve an extension or suspension of a voucher term
- A DHNP determination not to approve a unit or lease
- A DHNP determination that an assisted unit is not in compliance with HQS (DHNP must provide a hearing for family breach of HQS because that is a family obligation determination)
• A DHNP determination that the unit is not in accordance with HQS because of the family size.

• A DHNP determination to exercise or not exercise any right or remedy against the owner under a HAP contract

**Notification of Hearing**

It is DHNP'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, DHNP will ensure that applicants and participants will receive all of the protections and rights afforded by the law and the regulations.

DHNP will schedule a hearing within 15 calendar days from receipt of an informal hearing request. The notification of hearing will contain:

• The date and time of when the hearing will be conducted.

• 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 DHNP upon which DHNP based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing. Requests for such documents or evidence must be received no later than 5 working days before the hearing date.

• A notice to the family that DHNP will request a copy of any documents or evidence the family will use at the hearing. Requests for such documents or evidence must be received no later than 5 working days before the hearing date.

• Right to request an interpreter

• Request for reasonable accommodation consideration

• Right to VAWA Violence Against Women Act protections.
DHNP's Informal Hearing Procedures

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

If a family does not appear at a scheduled hearing and has not rescheduled the hearing in advance, DHNP will reschedule the hearing only if the family can show “good cause” for the failure to appear. If the family contacts the office within one working day, but fails to show good cause for not appearing, the termination will stand.

The family has a right to:

- Present written or oral objections to DHNP's determination.
- Examine the documents in the file, which are the basis for DHNP's action, and all documents submitted to the hearing officer, which are maintained in the Professional Standards office of the Police Dept.
- Copy any relevant documents at their expense (prior to the hearing date);
- Present any information or witnesses pertinent to the issue of the hearing;
- Request that DHNP staff be available or present at the hearing to answer questions pertinent to the case; and
- Be represented by legal counsel, advocate, or other designated representative at his or her own expense.

In addition to other rights contained in this Chapter, DHNP has a right to:

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

DHNP will appoint an informal hearing officer to conduct the informal hearing. This person will be someone not associated with the Rental Housing Division.

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

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

The hearing officer may ask the family for additional information before reaching a decision.

If the family misses an appointment or deadline ordered by the hearing officer, without good cause, the action of DHNP shall take effect and another hearing will not be granted.

The hearing officer will determine whether the action or inaction of the family is cause for HCV program termination. This decision will be based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the family will be based on a preponderance of the evidence presented at the hearing.

Upon approval, the notice of hearing findings shall be provided to the family within 14 days and shall include:

• A clear summary of the decision and reasons for the decision;
• If the decision involves money owed, the amount
• The date the decision goes into effect.

DHNP is not bound by hearing decisions:

• Which conflict with or contradict HUD regulations or requirements;
• Which conflict with or contradict Federal, State or local laws; or
• Which exceed the authority of the person conducting the hearing.

The determination of whether DHNP will overrule the decision of the Hearing Officer will be made by the Housing Program Administrator or the Director of the City of Virginia Beach.
Department of Housing. DHNP shall send a letter to the participant if it determines DHNP is not bound by the Hearing Officer's determination within 14 working days. The letter shall include DHNP's reasons for the decision.

E. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS" [24 CFR Part 5, Subpart E]

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the INS appeal.

Assistance to a family may not be terminated or denied while DHNP hearing is pending but assistance to an applicant may be delayed pending a DHNP hearing.

INS Determination of Ineligibility

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, DHNP notifies the applicant or participant within ten days of their right to appeal to the INS within thirty days or to request an informal hearing with DHNP either in lieu of or subsequent to the INS appeal.

If the family appeals to the INS, they must give DHNP a copy of the appeal and proof of mailing for DHNP may proceed to deny or terminate. The time period to request an appeal may be extended by DHNP for good cause.

The request for a DHNP hearing must be made within ten working days of receipt of the notice offering the hearing or, if an appeal was made to the INS, within ten working days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in this chapter for both applicants and participants. If the hearing officer decides that, the individual is not eligible, and there are no other eligible family members DHNP 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, DHNP 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:

City of Virginia Beach
Dept. of Housing and Neighborhood Preservation
• If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide.

• Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.

• Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising, their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of tenant rent and Total Tenant Payment.

• Families denied or terminated for fraud in connection with the non-citizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

F. MITIGATING CIRCUMSTANCES FOR APPLICANTS/PARTICIPANTS WITH DISABILITIES [24 CPR 982.204, 982.552(c)]

When applicants are denied placement on the waiting list, or DHNP is terminating assistance, the family will be informed that presence of a disability may be considered as a mitigating circumstance during the Informal Review/Hearing process.

Examples of mitigating circumstances are:

a) A person with a cognitive disorder may not have understood the requirement to report increases in income,

b) A person may not understand the need to make regular repayments on a promissory note,

c) Minor criminal records for public drunkenness or incarcerations for being disorderly may be due to emotional disorder.

All requests for a hearing, supporting documentation, and a copy of the final decision will be retained in the family's file.
INTRODUCTION

This chapter describes HUD regulations and DHNP policies related to the project-based voucher (PBV) program in nine parts:

Part I: General Requirements. This part describes general provisions of the PBV program including maximum budget authority requirements, relocation requirements, and equal opportunity requirements.

Part II: PBV Owner Proposals. This part includes policies related to the submission and selection of owner proposals for PBV assistance. It describes the factors DHNP will consider when selecting proposals, the type of housing that is eligible to receive PBV assistance, the cap on assistance at projects receiving PBV assistance, subsidy layering requirements, site selection standards, and environmental review requirements.

Part III: Dwelling Units. This part describes requirements related to housing quality standards, the type and frequency of inspections, and housing accessibility for persons with disabilities.

Part IV: Rehabilitated and Newly Constructed Units. This part describes requirements and policies related to the development and completion of rehabilitated and newly constructed housing units that will be receiving PBV assistance.

Part V: Housing Assistance Payments Contract. This part discusses HAP contract requirements and policies including the execution, term, and termination of the HAP contract. In addition, it describes how the HAP contract may be amended and identifies provisions that may be added to the HAP contract at the PHA’s discretion.

Part VI: Selection of PBV Program Participants. This part describes the requirements and policies governing how the PHA and the owner will select a family to receive PBV assistance.

Part VII: Occupancy. This part discusses occupancy requirements related to the lease, and describes under what conditions families are allowed or required to move. In addition, exceptions to the occupancy cap (which limits PBV assistance to 25 percent of the units in any project) are also discussed.
Part VIII: Determining Rent to Owner. This part describes how the initial rent to owner is determined, and how rent will be re-determined throughout the life of the HAP contract. Rent reasonableness requirements are also discussed.

Part IX: Payments to Owner. This part describes the types of payments owners may receive under this program.

Part X: Plans for Project- Basing of Vouchers. This part describes the housing opportunities available for the strategic commitment of project-based vouchers.

PART I: GENERAL REQUIREMENTS

I.A. OVERVIEW [24 CFR 983.5]

The project-based voucher (PBV) program allows PHAs that already administer a tenant-based voucher program under an annual contributions contract (ACC) with HUD to take up to 20 percent of its voucher program budget authority and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. PHAs may only operate a PBV program if doing so is consistent with the PHA’s Annual Plan, and the goal of de-concentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)].

DHNP will operate a project-based voucher program using up to 20 percent of its budget authority for project-based assistance.

HUD permits PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing [24 CFR 983.52]. If PBV units are already selected for project-based assistance either under an agreement to enter into HAP Contract (Agreement) or a HAP contract, the PHA is not required to reduce the number of these units if the amount of budget authority is subsequently reduced. However, the PHA is responsible for determining the amount of budget authority that is available for project-based vouchers and ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC [24 CFR 983.6].

I.B. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE [24 CFR 983.2]

Much of the tenant-based voucher program regulations also apply to the PBV program. Consequently, many of the PHA policies related to tenant-based assistance also apply to PBV.
assistance. The provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2.

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, DHNP policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants.

I.C. RELOCATION REQUIREMENTS [24 CFR 983.7]

Any persons displaced as a result of implementation of the PBV program must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)[42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24.

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. PHAs may not use voucher program funds to cover relocation costs, except that PHAs may use their administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and provided that payment of the relocation benefits is consistent with state and local law. Use of the administrative fee for these purposes must also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances.

The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of the PHA to ensure the owner complies with these requirements.

I.D. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8]

The PHA must comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at 24 CFR 5.105(a). In addition, the PHA must comply with the PHA Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).
PART II: PBV OWNER PROPOSALS

II.A. OVERVIEW

The PHA must describe the procedures for owner submission of PBV proposals and for PHA selection of PBV proposals [24 CFR 983.51]. Before selecting a PBV proposal, the PHA must determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing [24 CFR 983.53 and 983.54], complies with the cap on the number of PBV units per project [24 CFR 983.56, FR Notice 11/24/08], and meets the site selection standards [24 CFR 983.57]. The PHA may not commit PBVs until or unless it has followed the proposal selection requirements defined in 24 CFR 983.51 [Notice PIH 2011-54].

II.B. OWNER PROPOSAL SELECTION PROCEDURES [24 CFR 983.51(b)]

The PHA must select PBV proposals in accordance with the selection procedures in the PHA administrative plan. The PHA must select PBV proposals by either of the following two methods.

- **DHNP request for PBV Proposals.** DHNP may solicit proposals by using a request for proposals to select proposals on a competitive basis in response to the DHNP’s request. DHNP 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.

- **DHNP may select proposal that were previously selected based on a competition.** This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance.
Chapter 19
PROJECT BASED VOUCHERS

Solicitation and Selection of PBV Proposals [24 CFR 983.51(c)]

PHA procedures for selecting PBV proposals must be designed and actually operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by the PHA. The public notice procedures may include publication of the public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice. The public notice of the PHA request for PBV proposals must specify the submission deadline. Detailed application and selection information must be provided at the request of interested parties.

DHNP will rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

- Owner experience and capability to build or rehabilitate multifamily housing as identified in the RFP;
- Experience as an owner in the tenant- or project-based voucher program and owner compliance with the owner’s obligations under the tenant-based program;
- Extent to which the project furthers the DHNP’s goal of deconcentrating poverty and expanding housing and economic opportunities;
- Compliance with all HUD Equal Opportunity and Civil Rights requirements including Section 504, Fair Housing and Section 3.
- If applicable, the extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and;

DHNP reserves the right to request at any time additional information regarding any proposal received, including without limitation, a site plan, construction plans, and budgetary information. DHNP reserves the right to reject all proposals received. Regardless of whether any proposal is accepted, DHNP shall have no responsibility or liability to any owner for any cost incurred in developing or submitting a proposal, or in any other way related to DHNP’s solicitation.
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PHA Notice of Owner Selection [24 CFR 983.51(d)]

The PHA must give prompt written notice to the party that submitted a selected proposal and must also give prompt public notice of such selection. Public notice procedures may include publication of public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice.

Within 15 business days of DHNP making the selection, DHNP will notify the selected owner in writing of the owner’s selection for the PBV program. The DHNP will also notify in writing all owners that were not selected and advise such owners of the name of the selected owner(s).

In addition, DHNP will publish its award of selection of PBV proposals for a minimum of two consecutive days on DHNP’s web-site. The announcement will include the name of the owner that was selected for the PBV program.

The DHNP will make these documents available for review at the DHNP during normal business hours. The cost for reproduction of allowable documents will be $.25 per page.

II.C. HOUSING TYPE [24 CFR 983.52]

The PHA may attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an agreement to enter into a housing assistance payments contract that was executed prior to the start of construction. A housing unit is considered an existing unit for purposes of the PBV program, if, at the time of notice of PHA selection, the units substantially comply with HQS. Units for which new construction or rehabilitation was started in accordance with PBV program requirements do not qualify as existing housing.

The PHA must decide what housing type, new construction, rehabilitation, or existing housing, will be used to develop project-based housing. The PHA choice of housing type must be reflected in its solicitation for proposals.

II.D. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS

Ineligible Housing Types [24 CFR 983.53]

The PHA may not attach or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or
intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes; and transitional housing. In addition, the PHA may not attach or pay PBV assistance for a unit occupied by an owner and the PHA may not select or enter into an agreement to enter into a HAP contract or HAP contract for a unit occupied by a family ineligible for participation in the PBV program.

**High-rise Elevator Projects for Families with Children [24 CFR 983.53(b)]**
The DHNP will not provide PBV’s for high-rise elevator projects for families with children.

**Subsidized Housing [24 CFR 983.54]**

- A PHA may not attach or pay PBV assistance to units in any of the following types of subsidized housing:
  - A public housing unit;
  - A unit subsidized with any other form of Section 8 assistance;
  - A unit subsidized with any governmental rent subsidy;
  - A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
  - A unit subsidized with Section 236 rental assistance payments (except that a PHA may attach assistance to a unit subsidized with Section 236 interest reduction payments);
  - A Section 202 project for non-elderly with disabilities;
  - Section 811 project-based supportive housing for persons with disabilities;
  - Section 202 supportive housing for the elderly;
  - A Section 101 rent supplement project;
  - A unit subsidized with any form of tenant-based rental assistance;
  - A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or the PHA in accordance with HUD requirements.
II. E. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55, FR Notice 11/24/08, and FR Notice 7/9/10]

The PHA may provide PBV assistance only in accordance with HUD subsidy layering regulations [24 CFR 4.13] and other requirements.

The subsidy layering review is intended to prevent excessive public assistance by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

The PHA must submit the necessary documentation to HUD for a subsidy layering review. Except in cases of HAP contracts for existing structures, or if such reviews have been conducted by the applicable state and local agencies (defined by HUD as qualified housing credit agencies, or HCAs), the PHA may not enter into an agreement to enter into a HAP contract or a HAP contract until HUD, or an independent entity approved by HUD, has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements. However, in order to satisfy applicable requirements, HCAs must conduct subsidy layering reviews in compliance with the guidelines set forth in the Federal Register notice published July 9, 2010.

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.

II. F. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT

25 Percent per Project Cap [24 CFR 983.56(a), FR Notice 11/24/08]

In general, the PHA may not select a proposal to provide PBV assistance for units in a project or enter into an agreement to enter into a HAP or a HAP contract to provide PBV assistance for units in a project, if the total number of dwelling units in the project that will receive PBV assistance during the term of the PBV HAP contract is more than 25 percent of the number of dwelling units (assisted or unassisted) in the project.
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Exceptions to 25 Percent per Project Cap [24 CFR 983.56(b), FR Notice 11/24/08]

- Exceptions are allowed and PBV units are not counted against the 25 percent per project cap if:
  - The units are in a single-family building (one to four units);
  - The units are excepted units in a multifamily building because they are specifically made available for elderly or disabled families or families receiving supportive services (also known as qualifying families).

PHAs must include in the PHA administrative plan the type of services offered to families for a project to qualify for the exception and the extent to which such services will be provided. It is not necessary that the services be provided at or by the project, if they are approved services. To qualify, a family must have at least one member receiving at least one qualifying supportive service. A PHA may not require participation in medical or disability-related services other than drug and alcohol treatment in the case of current abusers as a condition of living in an excepted unit, although such services may be offered.

If a family at the time of initial tenancy is receiving, and while the resident of an excepted unit has received, FSS supportive services or any other supportive services as defined in the PHA administrative plan, and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

The PHA must monitor the excepted family's continued receipt of supportive services and take appropriate action regarding those families that fail without good cause to complete their supportive services requirement. The PHA administrative plan must state the form and frequency of such monitoring.

DHNP will develop housing for occupancy by families in need of services. This may include disabled families, families in need of particular supportive services, or families participating in the Family Self-Sufficiency (FSS) program. The families must receive the services, or successfully complete the service program, to be eligible for continued occupancy. Families that do not continue to receive the services or complete the required service program will be terminated in accordance with DHNP policies in Chapter 15-A. Verification of the need for continued services and monitoring will be completed annually. All supportive services must be rendered at least quarterly to qualify for the exception.
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The following types of services will be provided depending on the needs of the family:

- Transportation for activities such as grocery shopping, attending medical and dental appointments;
- Supervised taking of medications;
- Treatment for drug rehabilitation in the case of current abusers;
- Treatment for alcohol addiction in the case of current abusers;
- Training in housekeeping and homemaking activities;
- Family budgeting;
- Child care;
- Parenting skills; and
- Computer labs; and
- Work skills development and job training.
- Mental health counseling through a private therapist or Community Services Board

II.G. SITE SELECTION STANDARDS

Compliance with PBV Goals, Civil Rights Requirements, and HQS Site Standards [24 CFR 983.57(b)]

The PHA may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an agreement to enter into a HAP contract or HAP contract for units on the site, unless the PHA has determined that PBV assistance for housing at the selected site is consistent with the goal of de-concentrating poverty and expanding housing and economic opportunities. The standard for de-concentrating poverty and expanding housing and economic opportunities must be consistent with the PHA Plan under 24 CFR 903 and the PHA administrative plan.

In addition, prior to selecting a proposal, the PHA must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights
Laws, regulations, and Executive Orders, and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(l).

It is DHNP’s goal to select sites for PBV housing that provide for de-concentrating 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, or Renewal Community;
- A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;
- A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;
- A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area;
- A census tract where there has been an overall decline in the poverty rate within the past five years; or
- A census tract where there are meaningful opportunities for educational and economic advancement.

**Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)]**

The PHA may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract for existing or rehabilitated housing until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
• Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and

• Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

New Construction Site and Neighborhood Standards [24 CFR 983.57(e)]

In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD required site and neighborhood standards:

• The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;

• The site must have adequate utilities and streets available to service the site;

• The site must not be located in an area of minority concentration unless the PHA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;

• The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.

• The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;

• The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;

• The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

II.H. ENVIRONMENTAL REVIEW [24 CFR 983.58]

The PHA activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The responsible entity is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The PHA may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract until it has complied with the environmental review requirements.

In the case of existing housing, the responsible entity that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

The PHA may not enter into an agreement to enter into a HAP contract or a HAP contract with an owner, and the PHA, 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 the environmental review is completed.

The PHA must supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. The PHA must require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

PART III: DWELLING UNITS

III.A. OVERVIEW

This part identifies the special housing quality standards that apply to the PBV program, housing accessibility for persons with disabilities, and special procedures for conducting housing quality standards inspections.
III.B. HOUSING QUALITY STANDARDS [24 CFR 983.101]

The housing quality standards (HQS) for the tenant-based program, including those for special housing types, generally apply to the PBV program. HQS requirements for shared housing, manufactured home space rental, and the homeownership option do not apply because these housing types are not assisted under the PBV program.

The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

Lead-based Paint [24 CFR 983.101(c)]


III.C. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The PHA must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

III.D. INSPECTING UNITS

Pre-selection Inspection [24 CFR 983.103(a)]

The PHA must examine the proposed site before the proposal selection date. If the units to be assisted already exist, the PHA must inspect all the units before the proposal selection date, and must determine whether the units substantially comply with HQS. To qualify as existing housing, units must substantially comply with HQS on the proposal selection date. However, the PHA may not execute the HAP contract until the units fully comply with HQS.
Pre-HAP Contract Inspections [24 CFR 983.103(b)]

The PHA must inspect each contract unit before execution of the HAP contract. The PHA may not enter into a HAP contract covering a unit until the unit fully complies with HQS.

Turnover Inspections [24 CFR 983.103(c)]

Before providing assistance to a new family in a contract unit, the PHA must inspect the unit. The PHA may not provide assistance on behalf of the family until the unit fully complies with HQS.

Annual Inspections [24 CFR 983.103(d)]

At least annually during the term of the HAP contract, the PHA must inspect a random sample, consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this annual inspection requirement.

If more than 20 percent of the annual sample of inspected contract units in a building fails the initial inspection, the PHA must re-inspect 100 percent of the contract units in the building.

Other Inspections [24 CFR 983.103(e)]

The PHA must inspect contract units whenever needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The PHA must take into account complaints and any other information coming to its attention in scheduling inspections.

The PHA must conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of HQS.

In conducting PHA supervisory quality control HQS inspections, the PHA should include a representative sample of both tenant-based and project-based units.
PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS

IV.A. OVERVIEW [24 CFR 983.151]

There are specific requirements that apply to PBV assistance for newly constructed or rehabilitated housing that do not apply to PBV assistance in existing housing. This part describes the requirements unique to this type of assistance.

Housing selected for this type of assistance may not at a later date be selected for PBV assistance as existing housing.

IV.B. AGREEMENT TO ENTER INTO HAP CONTRACT

In order to offer PBV assistance in rehabilitated or newly constructed units, the PHA must enter into an agreement to enter into HAP contract (Agreement) with the owner of the property. The Agreement must be in the form required by HUD [24 CFR 983.152(a)].

In the Agreement the owner agrees to develop the PBV contract units to comply with HQS, and the PHA agrees that upon timely completion of such development in accordance with the terms of the Agreement, the PHA will enter into a HAP contract with the owner for the contract units [24 CFR 983.152(b)].

Content of the Agreement [24 CFR 983.152(c)]

- At a minimum, the Agreement must describe the following features of the housing to be developed and assisted under the PBV program:
  - Site and the location of the contract units;
  - Number of contract units by area (size) and number of bedrooms and bathrooms;
  - Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent;
  - Utilities available to the contract units, including a specification of utility services to be paid by the owner and utility services to be paid by the tenant;
  - An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the
Agreement. If applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the Agreement;

- Estimated initial rents to owner for the contract units;
- Description of the work to be performed under the Agreement. For rehabilitated units, the description must include the rehabilitation work write up and, where determined necessary by the PHA, specifications and plans. For new construction units, the description must include the working drawings and specifications.
- Any additional requirements for quality, architecture, or design over and above HQS.

**Execution of the Agreement [24 CFR 983.153, FR Notice 11/24/08]**

The Agreement must be executed promptly after PHA notice of proposal selection to the selected owner. Generally, the PHA may not enter into the Agreement with the owner until the subsidy layering review is completed. Likewise, the PHA may not enter into the Agreement until the environmental review is completed and the PHA has received environmental approval. However, the PHA does not need to conduct a subsidy layering review in the case of a HAP contract for an existing structure or if the applicable state or local agency has conducted such a review. Similarly, environmental reviews are not required for existing structures unless otherwise required by law or regulation.

DHNP will enter into the Agreement with the owner within 15 business days of receiving both environmental approval and notice that subsidy layering requirements have been met, and before construction or rehabilitation work is started.

**IV.C. CONDUCT OF DEVELOPMENT WORK**

**Labor Standards [24 CFR 983.154(b)]**

If an Agreement covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner’s contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing. The HUD-prescribed form of the Agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates.

The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable
federal labor relations laws and regulations. The PHA must monitor compliance with labor standards.

**Equal Opportunity [24 CFR 983.154(c)]**

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements.

**Owner Disclosure [24 CFR 983.154(d) and (e)]**

The Agreement and HAP contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

The owner must also disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.

**IV.D. COMPLETION OF HOUSING**

The Agreement must specify the deadlines for completion of the housing, and the owner must develop and complete the housing in accordance with these deadlines. The Agreement must also specify the deadline for submission by the owner of the required evidence of completion.

**Evidence of Completion [24 CFR 983.155(b)]**

At a minimum, the owner must submit the following evidence of completion to the PHA in the form and manner required by the PHA:

Owner certification that the work has been completed in accordance with HQS and all requirements of the Agreement; and

Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing.

At the PHA’s discretion, the Agreement may specify additional documentation that must be submitted by the owner as evidence of housing completion.

DHNP will determine the need for the owner to submit additional documentation as evidence of housing completion on a case-by-case basis depending on the nature of the PBV project. DHNP
will specify any additional documentation requirements in the Agreement to enter into HAP contract.

**PHA Acceptance of Completed Units [24 CFR 983.156]**

Upon notice from the owner that the housing is completed, the PHA must inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with HQS and any additional requirements imposed under the Agreement. The PHA must also determine if the owner has submitted all required evidence of completion.

If the work has not been completed in accordance with the Agreement, the PHA must not enter into the HAP contract.

If the PHA determines the work has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, the PHA must submit the HAP contract for execution by the owner and must then execute the HAP contract.

**PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)**

**V.A. OVERVIEW**

The PHA must enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term. The HAP contract must be in the form required by HUD [24 CFR 983.202].

**V.B. HAP CONTRACT REQUIREMENTS**

**Contract Information [24 CFR 983.203]**

- The HAP contract must specify the following information:

- The total number of contract units by number of bedrooms;

- The project’s name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
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- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;

- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;

- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;

- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;

- The HAP contract term;

- The number of units in any project that will exceed the 25 percent per project cap, which will be set-aside for occupancy by qualifying families; and

- The initial rent to owner for the first 12 months of the HAP contract term.

Execution of the HAP Contract [24 CFR 983.204]

The PHA may not enter into a HAP contract until each contract unit has been inspected and the PHA has determined that the unit complies with the Housing Quality Standards (HQS). For existing housing, the HAP contract must be executed promptly after the PHA selects the owner proposal and inspects the housing units. For newly constructed or rehabilitated housing the HAP contract must be executed after the PHA has inspected the completed units and has determined that the units have been completed in accordance with the agreement to enter into HAP, and the owner furnishes all required evidence of completion.

For existing housing, the HAP contract will be executed within 15 business days of the PHA determining that all units pass HQS.

For rehabilitated or newly constructed housing, the HAP contract will be executed within 15 business days of DHNP determining that the units have been completed in accordance with the agreement to enter into HAP, all units meet HQS, and the owner has submitted all required evidence of completion.

Term of HAP Contract [FR Notice 11/24/08 pg 71307]
The PHA may enter into a HAP contract with an owner for an initial term of no less than one year and no more than 15 years.

The term of all PBV HAP contracts will be 15 years; but no more than the maximum of 30 years.

At any time before expiration of the HAP contract, the PHA may extend the term of the contract for an additional term of 1 to 15 years if the PHA determines an extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities. Subsequent extensions are subject to the same limitations. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension.

When determining whether or not to extend an expiring PBV contract, DHNP will consider several factors including, but not limited to:

- The cost of extending the contract and the amount of available budget authority;
- The condition of the contract units;
- The owner’s record of compliance with obligations under the HAP contract and lease(s);
- Whether the location of the units continues to support the goals of de-concentrating poverty and expanding housing opportunities; and
- Whether the funding could be used more appropriately for tenant-based assistance.

**Termination by PHA [24 CFR 983.205(c)]**

The HAP contract must provide that the term of the PHA’s contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by the PHA in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the PHA may terminate the HAP contract by notice to the owner. The termination must be implemented in accordance with HUD instructions.

**Termination by Owner [24 CFR 983.205(d), FR Notice 11/24/08]**
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If in accordance with program requirements the amount of rent to an owner for any contract unit is reduced below the amount of the rent to owner at the beginning of the HAP contract term, the owner may terminate the HAP contract by giving notice to the PHA. In this case, families living in the contract units must be offered tenant-based assistance.

At their discretion PHAs may specify in the HAP contract that the maximum rent on a unit will not be less than the initial rent.

Remedies for HQS Violations [24 CFR 983.207(b)]

The PHA may not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If the PHA determines that a contract does not comply with HQS, the PHA may exercise any of its remedies under the HAP contract, for any or all of the contract units. Available remedies include termination of housing assistance payments, abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

DHNP will abate and terminate PBV HAP contracts for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program. These policies are contained in Chapter 10-G., Inspections and Enforcement policies and procedures.

V.C. AMENDMENTS TO THE HAP CONTRACT

Substitution of Contract Units [24 CFR 983.206(a)]

At the PHA’s discretion and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same building for a previously covered contract unit. Before any such substitution can take place, the PHA must inspect the proposed unit and determine the reasonable rent for the unit.

Addition of Contract Units [24 CFR 983.206(b)]

At the PHA’s discretion and subject to the restrictions on the number of dwelling units that can receive PBV assistance per building and on the overall size of the PHA’s PBV program, a HAP contract may be amended during the three-year period following the execution date of the HAP contract to add additional PBV units in the same building. This type of amendment is subject to all PBV program requirements except that a new PBV proposal is not required.
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DHNP will consider adding contract units to the HAP contract when DHNP determines that additional housing is needed to serve eligible low-income families. Circumstances may include, but are not limited to: 

- The local housing inventory is reduced due to a disaster (either due to loss of housing units, or an influx of displaced families); and 
- Voucher holders are having difficulty finding units that meet program requirements. 
- Additional housing units have become available within the development. 

V.D. HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.206(c) and 983.302(e)] 

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term. 

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. 

There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract. 

V.E. OWNER RESPONSIBILITIES UNDER THE HAP [24 CFR 983.209] 

- When the owner executes the HAP contract s/he certifies that at such execution and at all times during the term of the HAP contract: 
- All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS; 
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and the leases;
Each contract unit for which the owner is receiving HAP, is leased to an eligible family referred by the PHA, and the lease is in accordance with the HAP contract and HUD requirements;

To the best of the owner’s knowledge the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family’s only residence;

The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;

The amount of the HAP the owner is receiving is correct under the HAP contract;

The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;

Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit; and

The family does not own or have any interest in the contract unit.

V.F. ADDITIONAL HAP REQUIREMENTS

Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.207(a)]

The owner is required to maintain and operate the contract units and premises in accordance with HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with the PHA and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

The PHA may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements must be specified in the Agreement to enter into a HAP contract and the HAP contract. These requirements must be in addition to, not in place of, compliance with HQS.

DHNP will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. DHNP will specify any special design standards or
additional requirements in the invitation for PBV proposals, the agreement to enter into HAP contract, and the HAP contract.

**Vacancy Payments [24 CFR 983.352(b)]**

At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner for a PHA-determined 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 will be determined by the PHA 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).

DHNP will not make vacancy payments to the owner.

**PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS**

**VI.A. OVERVIEW**

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

**VI.B. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]**

The PHA may select families for the PBV program from those who are participants in the PHA’s tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the voucher program and does not need to be re-determined at the commencement of PBV assistance. For all others, eligibility for admission must be determined at the commencement of PBV assistance.

Applications for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and the PHA, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24
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CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to the PHA’s collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. An applicant family must also meet HUD requirements related to current or past criminal activity.

DHNP will determine an applicant family’s eligibility for the PBV program in accordance with the policies in Chapter 2.

In-Place Families [24 CFR 983.251(b)]

An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by the PHA is considered an “in-place family.” These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on the PHA’s waiting list. Once the family’s continued eligibility is determined (the PHA may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family must be given an absolute selection preference and the PHA must refer these families to the project owner for an appropriately sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.

This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

VI.C. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c)]

The PHA may establish a separate waiting list for PBV units or it may use the same waiting list for both tenant-based and PBV assistance. The PHA may also merge the PBV waiting list with a waiting list for other assisted housing programs offered by the PHA. If the PHA chooses to offer a separate waiting list for PBV assistance, the PHA must offer to place applicants who are listed on the tenant-based waiting list on the waiting list for PBV assistance.

If a PHA decides to establish a separate PBV waiting list, the PHA may use a single waiting list for the PHA’s whole PBV program, or it may establish separate waiting lists for PBV units in particular projects or buildings or for sets of such units.

DHNP will establish and manage separate waiting lists for individual projects, types of projects or buildings that are receiving PBV assistance.
VI.D. SELECTION FROM THE WAITING LIST [24 CFR 983.251(c)]

Applicants who will occupy units with PBV assistance must be selected from the PHA’s waiting list. The PHA may establish selection criteria or preferences for occupancy of particular PBV units. The PHA may place families referred by the PBV owner on its PBV waiting list, when the waiting list is open.

Income Targeting [24 CFR 983.251(c)(6)]

At least 75 percent of the families admitted to the PHA’s tenant-based and project-based voucher programs during the PHA fiscal year from the waiting list must be extremely-low income families. The income targeting requirement applies to the total of admissions to both programs.

Units with Accessibility Features [24 CFR 983.251(c)(7)]

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, the PHA must first refer families who require such features to the owner.

Preferences [24 CFR 983.251(d), FR Notice 11/24/08]

The PHA may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or for occupancy of particular PBV developments or units. The PHA must provide an absolute selection preference for eligible in-place families as described in Section 19-VI.B above.

Although the PHA is prohibited from granting preferences to persons with a specific disability, the PHA may give preference to disabled families who need services offered at a particular project or site if the preference is limited to families (including individuals):

- With disabilities that significantly interfere with their ability to obtain and maintain themselves in housing;

- Who, without appropriate supportive services, will not be able to obtain or maintain themselves in housing; and

- For whom such services cannot be provided in a non-segregated setting.

In advertising such a project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible disabled persons who may benefit from services provided in the project. In these projects, disabled
residents may not be required to accept the particular services offered as a condition of occupancy.

If the PHA has projects with more than 25 percent of the units receiving project-based assistance because those projects include “excepted units” (units specifically made available for elderly or disabled families, or families receiving supportive services), the PHA must give preference to such families when referring families to these units [24 CFR 983.261(b)].

DHNP will provide a selection preference when required by the regulation (e.g., eligible in-place families, qualifying families for “excepted units,” mobility impaired persons for accessible units). DHNP will not offer any additional preferences for the PBV program or for particular PBV projects or units.

DHNP may establish and manage waiting lists based on established preferences in Chapter 4, in order to increase housing opportunities for underserved citizens.

Rehabilitated units designated with permanent supportive housing services, designed to provide assistance to homeless individuals have selection preferences. As with the tenant based voucher program, specific local preferences will be used to select families or individuals from their project based waiting lists. Each preference has an allocation of points. An applicant's position on the waiting list is determined by the number of points given. The higher the preference point total, the higher the waiting list position. Among applicants with equal preference points, their waiting list position will be determined based upon the application submission date and time. Applicants on the project based waiting list with permanent supportive housing services will not lose their waiting list position, and be grandfathered in for consideration.

DHNP uses the following preference criteria for projects designated with permanent supportive housing:

Veterans Preference:
A family, or individual whose head of household is an honorable or general discharged Veteran of the U.S. Armed Forces, and who meets all other eligible criteria.

Chronic Homeless Preference:
This preference is for an unaccompanied homeless individual with a disabbling condition. This person has been continuously homeless for a year or more, OR has had at least four episodes of homeless in the past three years. In order to be considered chronically homeless, a person must been sleeping in a place not meant for human habitation and/or in an emergency homeless shelter.

Highest Vulnerability Preference:
In an effort to provide assistance to those with a greater vulnerability of homelessness, using a community prescreen assessment tool called the Vulnerability Index Service Prioritization Decision Assistance Tool (VISPDAT). Administered by a community partner, a
family/individual may be awarded a preference of "highest vulnerability". Families/individuals that score 13 points or higher using the assessment tool will be awarded the preference.

Preference point distribution:

Veterans                      21 points
Chronically Homeless         10 points
Highest Vulnerability       10 points

VI.E. OFFER OF PBV ASSISTANCE

Refusal of Offer [24 CFR 983.251(e)(3)]

The PHA is prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the waiting list for tenant-based voucher assistance;
- Deny any admission preference for which the applicant qualifies;
- Change the applicant’s place on the waiting list based on preference, date, and time of application, or other factors affecting selection under the PHA’s selection policy;
- Remove the applicant from the tenant-based voucher waiting list.

Disapproval by Landlord [24 CFR 983.251(e)(2)]

If an applicant is selected from either a tenant-based or PBV waiting list, for a PBV unit and the applicant is rejected by the owner of the PBV unit based on application criteria. The selected applicant will maintain their position on the appropriate waiting list and will not be offered housing assistance for any other program.

Acceptance of Offer [24 CFR 983.252]

*Family Briefing*

When a family accepts an offer for PBV assistance, the PHA must give the family an oral briefing. The briefing must include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the PHA must provide a...
briefing packet that explains how the PHA determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

**Persons with Disabilities**

If an applicant family’s head or spouse is disabled, the PHA must assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available (see Chapter 2). In addition, the PHA must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

**Persons with Limited English Proficiency**

The PHA should take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2).

**VI.F. OWNER SELECTION OF TENANTS**

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant’s ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(a)(2) and (a)(3)].

**Leasing [24 CFR 983.253(a)]**

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by the PHA from the PHA’s waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the PHA’s subsidy standards.

**Filling Vacancies [24 CFR 983.254(a)]**

The owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving such notice, the PHA must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies. The PHA and the owner must make reasonable efforts to minimize the likelihood and length of any vacancy.
The owner must promptly notify DHNP in writing (mail, fax, or e-mail) about any vacancy or expected vacancy.

**Reduction in HAP Contract Units Due to Vacancies [24 CFR 983.254(b)]**

If any contract units have been vacant for 120 or more days since owner notice of the vacancy, the PHA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (according to the bedroom size) that have been vacant for this period.

If any contract units have been vacant for 120 days, DHNP may give notice to the owner that the HAP contract will be amended to reduce the number of contract units that have been vacant for this period. DHNP will provide the notice to the owner within 10 business days of the 120th day of the vacancy. The amendment to the HAP contract will be effective the 1st day of the month following the date of DHNP’s notice.

**VI.G. TENANT SCREENING [24 CFR 983.255]**

**PHA Responsibility**

The PHA is not responsible or liable to the owner or any other person for the family’s behavior or suitability for tenancy. However, the PHA may opt to screen applicants for family behavior or suitability for tenancy and may deny applicants based on such screening.

DHNP will not conduct screening to determine a PBV applicant family’s suitability for tenancy.

The PHA must provide the owner with an applicant family’s current and prior address (as shown in PHA records) and the name and address (if known by the PHA) of the family’s current landlord and any prior landlords.

In addition, the PHA may offer the owner other information the PHA may have about a family, including information about the tenancy history of family members or about drug trafficking and criminal activity by family members. The PHA must provide applicant families a description of the PHA policy on providing information to owners, and the PHA must give the same types of information to all owners.

DHNP will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the turnover HQS
Owner Responsibility

The owner is responsible for screening and selection of the family to occupy the owner’s unit. When screening families the owner may consider a family’s background with respect to the following factors:

- Payment of rent and utility bills;
- Caring for a unit and premises;
- Respecting the rights of other residents to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and
- Compliance with other essential conditions of tenancy.

PART VII: OCCUPANCY

VII.A. OVERVIEW

After an applicant has been selected from the waiting list, determined eligible by the PHA, referred to an owner and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

VII.B. LEASE [24 CFR 983.256]

The tenant must have legal capacity to enter a lease under state and local law. Legal capacity means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Form of Lease [24 CFR 983.256(b)]

The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include a
HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease, such as a PHA model lease.

The PHA may review the owner’s lease form to determine if the lease complies with state and local law. If the PHA determines that the lease does not comply with state or local law, the PHA may decline to approve the tenancy.

DHNP will not review the owner’s lease for compliance with state or local law.

**Lease Requirements [24 CFR 983.256(c)]**

The lease for a PBV unit must specify all of the following information:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;
- A specification of the services, maintenance, equipment, and utilities that will be provide by the owner; and
- The amount of any charges for food, furniture, or supportive services.

**Tenancy Addendum [24 CFR 983.256(d)]**

The tenancy addendum in the lease must state:

- The program tenancy requirements;
- The composition of the household as approved by the PHA (the names of family members and any PHA-approved live-in aide);
• All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

Initial Term and Lease Renewal [24 CFR 983.256(f) and 983.257(b)]

The initial lease term must be for at least one year. Upon expiration of the lease, an owner may renew the lease, refuse to renew the lease for “good cause,” or refuse to renew the lease without good cause. If the owner refuses to renew the lease without good cause, the PHA must provide the family with a tenant-based voucher and remove the unit from the PBV HAP contract.

Changes in the Lease [24 CFR 983.256(e)]

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give the PHA a copy of all changes.

The owner must notify the PHA in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by the PHA and in accordance with the terms of the lease relating to its amendment. The PHA must re-determine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The re-determined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

Owner Termination of Tenancy [24 CFR 983.257]

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for “good cause” does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

Non-Compliance with Supportive Services Requirement [24 CFR 983.257(c), FR Notice 11/24/08]

If a family is living in a project-based unit that is excepted from the 25 percent per project cap on project-basing because of participation in a supportive services program (e.g., Family Self-Sufficiency), and the family fails to complete its supportive services requirement without good cause, such failure is grounds for lease termination by the owner.
Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]

The owner may specify in the lease a maximum period of tenant absence from the unit that is shorter than the maximum period permitted by PHA 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.

In instances where the unit is occupied by a single individual, and that individual is absent from the unit due to incarceration for more than 30 days, assistance will be terminated.

Security Deposits [24 CFR 983.258]

The owner may collect a security deposit from the tenant. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

VII.C. MOVES

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.259]

If the PHA determines that a family is occupying a wrong size unit, based on the PHA’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, the PHA must promptly notify the family and the owner of this determination, and the PHA must offer the family the opportunity to receive continued housing assistance in another unit.

DHNP will notify the family and the owner of the family’s need to move based on the occupancy of a wrong-size or accessible unit within 10 business days of DHNP’s determination. DHNP will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

- PBV assistance in the same building or project;
- PBV assistance in another project; and
- Tenant-based voucher assistance.

If the PHA offers the family a tenant-based voucher, the PHA must terminate the housing assistance payments for a wrong-sized or accessible unit at expiration of the term of the family’s voucher (including any extension granted by the PHA).
If the PHA offers the family another form of assistance that is not a tenant-based voucher, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by the PHA, or both, the PHA must terminate the housing assistance payments for the unit at the expiration of a reasonable period as determined by the PHA.

When DHNP offers a family another form of assistance that is not a tenant-based voucher, the family will be given 60 days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 60-day time frame, DHNP will terminate the housing assistance payments at the expiration of this 60-day period.

DHNP may make exceptions to this 60-day period if needed for reasons beyond the family’s control such as death, serious illness, or other medical emergency of a family member.

**Family Right to Move [24 CFR 983.260]**

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to the PHA. If the family wishes to move with continued tenant-based assistance, the family must contact the PHA to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements, the PHA is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If voucher or other comparable tenant-based assistance is not immediately available upon termination of the family’s lease in the PBV unit, the PHA must give the family priority to receive the next available opportunity for continued tenant-based assistance.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

Participants who wish to receive tenant based assistance, where none is available, may request in writing to receive assistance. Once received, DHNP will place the participant on a mobility list in date/stamp order. Once tenant based assistance is available, DHNP will offer assistance to participant’s who are on the list.

**VII.D. EXCEPTIONS TO THE OCCUPANCY CAP [24 CFR 983.261, FR Notice 11/24/08]**
The PHA may not pay housing assistance under a PBV HAP contract for more than 25 percent of the number of dwelling units in a project unless the units are [24 CFR 983.56]:

- In a single-family building;
- Specifically made available for elderly or disabled families; or
- Specifically made available for families receiving supportive services as defined by the PHA. At least one member must be receiving at least one qualifying supportive service.

If a family at the time of initial tenancy is receiving and while the resident of an excepted unit has received Family Self-Sufficiency (FSS) supportive services or any other service as defined by the PHA and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

A family (or remaining members of a family) residing in an excepted unit that no longer meets the criteria for a “qualifying family” in connection with the 25 percent per project cap exception (e.g., the family does not successfully complete supportive services requirements, or due to a change in family composition the family is no longer elderly or disabled), must vacate the unit within a reasonable period of time established by the PHA, and the PHA must cease paying housing assistance payments on behalf of the non-qualifying family.

If the family fails to vacate the unit within the established time, the unit must be removed from the HAP contract unless the project is partially assisted, and it is possible for the HAP contract to be amended to substitute a different unit in the building in accordance with program requirements; or the owner terminates the lease and evicts the family. The housing assistance payments for a family residing in an excepted unit that is not in compliance with its family obligations to comply with supportive services requirements must be terminated by the PHA.

**PART VIII: DETERMINING RENT TO OWNER**

**VIII.A. OVERVIEW**

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the agreement to enter into HAP Contract (Agreement) states the estimated amount of the initial
rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

During the term of the HAP contract, the rent to owner is re-determined at the owner’s request in accordance with program requirements, and at such time that there is a five percent or greater decrease in the published FMR.

VIII.B. RENT LIMITS [24 CFR 983.301]

Except for certain tax credit units (discussed below), the rent to owner must not exceed the lowest of the following amounts:

- An amount determined by the PHA, not to exceed 110 percent of the applicable fair market rent (or any HUD-approved exception payment standard) for the unit bedroom size minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

For purposes of Rental Assistance Demonstration (RAD) Projects, PHAs may elect, in the HAP contract, to establish the initial contract rent as the rent floor. PHAs should consider their individual markets, number of families served, annual budget authority and factors that may influence funding amounts and any other local concerns prior to electing to establish the initial contract rent as the rent floor. If the PHA has elected within the HAP contract to not reduce rents below the initial rent to owner, the rent to owner shall not be reduced below the initial rent to owner for dwelling units under the initial PBV HAP contract, except:

- To correct errors in calculations in accordance with HUD requirements;
- If additional housing assistance has been combined with PBV assistance after the execution of the initial PVV HAP contract and a rent decrease is required pursuant to 24 CFR 983.55; or
- If a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant.
Consideration will be given and a determination made about establishing initial contract rents as the rent floor to all DHNP PBV projects prior to when the HAP Contract is executed. **Certain Tax Credit Units [24 CFR 983.301(c), FR Notice 11/24/08]**

For certain tax credit units, the rent limits are determined differently than for other PBV units. These different limits apply to contract units that meet all of the following criteria:

- The contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986;
- The contract unit is not located in a qualified census tract;
- There are comparable tax credit units of the same bedroom size as the contract unit in the same building, and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds a PHA-determined amount (not to exceed 110 percent of the fair market rent or any approved exception payment standard);
- For contract units that meet all of these criteria, the rent to owner must not exceed the lowest of:
  - The tax credit rent minus any utility allowance;
  - The reasonable rent; or
  - The rent requested by the owner.

However, PHAs are permitted to use the higher Section 8 rent for a tax credit unit if the tax credit rent is less than the amount that would be permitted under Section 8. In these cases, Section 8 rent reasonableness requirements must continue to be met.

**Definitions**

A *qualified census tract* is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.
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Tax credit rent is the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

Use of FMRs, Exception Payment Standards, and Utility Allowances [24 CFR 983.301(f)]

When determining the initial rent to owner, the PHA must use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. When re-determining the rent to owner, the PHA must use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination. At its discretion, the PHA may for initial rent, use the amounts in effect at any time during the 30-day period immediately before the beginning date of the HAP contract, or for redeterminations of rent, the 30-day period immediately before the redetermination date.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. HUD will not approve a different exception payment standard amount for use in the PBV program.

Likewise, the PHA may not establish or apply different utility allowance amounts for the PBV program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

Upon written request by the owner, DHNP will consider using the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or redetermination of rent. The owner must explain the need to use the previous FMRs or utility allowances and include documentation in support of the request. DHNP will review and make a decision based on the circumstances and merit of each request.

In addition to considering a written request from an owner, DHNP may decide to use the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or redetermination of rent, if DHNP determines it is necessary due to DHNP budgetary constraints.

Redetermination of Rent [24 CFR 983.302]

The PHA must re-determine the rent to owner upon the owner’s request or when there is a five percent or greater decrease in the published FMR.

Rent Increase
If an owner wishes to request an increase in the rent to owner from the PHA, it must be requested at the annual anniversary of the HAP contract (see Section 19-V.D.). The request must be in writing and in the form and manner required by the PHA. The PHA may only make rent increases in accordance with the rent limits described previously. There are no provisions in the PBV program for special adjustments (e.g., adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs).

An owner’s request for a rent increase must be submitted to DHNP 75 days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is proposing. If the owner’s request is not received by DHNP 75 days prior to the anniversary of the HAP contract it will not be considered.

The PHA may not approve and the owner may not receive any increase of rent to owner until and unless the owner has complied with requirements of the HAP contract, including compliance with HQS. The owner may not receive any retroactive increase of rent for any period of noncompliance.

**Rent Decrease**

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment.

For rent decreases due to a change in the FMR, DHNP will make rent decrease changes effective at the HAP Contract Anniversary date.

**Notice of Rent Change**

The rent to owner is re-determined by written notice by the PHA to the owner specifying the amount of the re-determined rent. The PHA notice of rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract. The adjusted amount of rent to owner applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

DHNP will provide the owner with at least 30 calendar days written notice of any change in the amount of rent to owner.
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VIII.C. REASONABLE RENT [24 CFR 983.303]

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by the PHA.

When Rent Reasonable Determinations are Required

The PHA must re-determine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:

- There is a five percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date;
- The PHA approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- The HAP contract is amended to substitute a different contract unit in the same building; or
- There is any other change that may substantially affect the reasonable rent.

How to Determine Reasonable Rent

The reasonable rent of a unit receiving PBV assistance must be determined by comparison to rent for other comparable unassisted units. When making this determination, the PHA must consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

Comparability Analysis

For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and must be retained by the PHA. The comparability analysis may be performed by PHA staff or by another qualified person or entity. Those who conduct these analyses or are involved in determining the
housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

**Owner Certification of Reasonable Rent**

By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, the PHA may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

**VIII.D. EFFECT OF OTHER SUBSIDY AND RENT CONTROL**

In addition to the rent limits discussed in Section 19-VIII.B above, other restrictions may limit the amount of rent to owner in a PBV unit. In addition, certain types of subsidized housing are not even eligible to receive PBV assistance (see Section 19-II.D).

**Other Subsidy [24 CFR 983.304]**

At its discretion, a PHA may reduce the initial rent to owner because of other governmental subsidies, including grants and other subsidized financing.

For units receiving assistance under the HOME program, rents may not exceed rent limits as required by that program.

For units in any of the following types of federally subsidized projects, the rent to owner may not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

- An insured or non-insured Section 236 project;
- A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
- A Section 221(d)(3) below market interest rate (BMIR) project;
- A Section 515 project of the Rural Housing Service;
- Any other type of federally subsidized project specified by HUD.

**Combining Subsidy**
Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements.

Rent Control [24 CFR 983.305]

In addition to the rent limits set by PBV program regulations, the amount of rent to owner may also be subject to rent control or other limits under local, state, or federal law.

PART IX: PAYMENTS TO OWNER

IX.A. HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351]

During the term of the HAP contract, the PHA must make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and the PHA agree on a later date.

Except for discretionary vacancy payments, the PHA may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

The amount of the housing assistance payment by the PHA is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

IX.B. VACANCY PAYMENTS [24 CFR 983.352]

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if the PHA determines that the vacancy is the owner’s fault.

If DHNP determines that the owner is responsible for a vacancy and, as a result, is not entitled to the keep the housing assistance payment, DHNP will notify the landlord of the amount of
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housing assistance payment that the owner must repay. DHNP will require the owner to repay the amount owed in accordance with the policies in Chapter 17-F.

At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner. The PHA may only make vacancy payments if:

- The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner’s knowledge);

- The owner certifies that the vacancy is not the fault of the owner.

- The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.

- No vacancy payments will be paid at initial lease-up.

IX.C. TENANT RENT TO OWNER [24 CFR 983.353]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the PHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the PHA notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the PHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess payment to the tenant.

Tenant and PHA Responsibilities

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the PHA.

Likewise, the PHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The PHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The PHA may not use housing assistance
payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

**Utility Reimbursements**

If the amount of the utility allowance exceeds the total tenant payment, the PHA must pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

The PHA may pay the utility reimbursement directly to the family or to the utility supplier on behalf of the family. If the PHA chooses to pay the utility supplier directly, the PHA must notify the family of the amount paid to the utility supplier.

DHNP will make utility reimbursements to the family.

**IX.D. OTHER FEES AND CHARGES [24 CFR 983.354]**

**Meals and Supportive Services**

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

**Other Charges by Owner**

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.
PART X: PROJECT- BASING OF VOUCHERS

VIRGINIA SUPPORTIVE HOUSING: CLOVERLEAF, SOUTH BAY, HERON’S LANDING, AND CRESCENT SQUARE

CLOVERLEAF
DHNP project based 44 vouchers for a 60 unit SRO building in the City of Virginia Beach. The City of Virginia Beach’s Continuum of Care was awarded 16 Section 8 Mod-Rehab Vouchers to subsidize the remaining units in the building. The 16 Section 8 Mod-Rehab Vouchers were allocated through a Memorandum of Agreement with the Continuum of Cares for the cities of Chesapeake (1), Norfolk (11), Portsmouth (2), and Virginia Beach (2). The project services homeless individuals.

SOUTH BAY
DHNP project based 6 vouchers for a 60 unit SRO building in the City of Portsmouth. Portsmouth Redevelopment & Housing Authority is the lead agency and handles all Section 8 requirements for the 6 participants from Virginia Beach. The project services homeless individuals.

HERON’S LANDING
DHNP project based 8 vouchers for a 60 unit SRO building in the City of Chesapeake. Chesapeake Redevelopment & Housing Authority is the lead agency and through a Memorandum of Agreement carries out initial and annual HQS inspections. DHNP has entered into a direct HAP contract with the developer and is responsible for all other Section 8 requirements for the 8 participants. The project services homeless individuals.

CRESCENT SQUARE
DHNP project based 32 vouchers for an 80 unit SRO building in the City of Virginia Beach. DHNP is the lead agency and handles all Section 8 requirements for the 32 participants from Virginia Beach. Norfolk Redevelopment Housing Authority has 10 project based vouchers at the property. The project services homeless individuals.

COMMUNITY HOUSING PARTNERS: SEAHAVEN AND TRANQUILITY AT THE LAKES

SEAHAVEN
Seahaven began as a Certificate program and was converted to the Project Based Voucher (PBV) program in 2005. DHNP provides subsidy for all 26 units. The units are located in three buildings on one parcel of land. Occupants consist of elderly, disabled and those requiring
supportive services.

**TRANQUILITY AT THE LAKES**
DHNP project based 20 vouchers for a 40 unit building for seniors in the City of Virginia Beach. DHNP handles all Section 8 requirements for the 20 participants from Virginia Beach. The project services seniors.

**VIRGINIA BEACH COMMUNITY DEVELOPMENT CORPORATION (VBDCD): CEDAR GROVE**

**CEDAR GROVE**
DHNP project based 32 vouchers for a 32 unit project servicing homeless and/or disabled veterans. Developer provides supportive services to participants.

**LAWSON COMPANIES: BAKER WOODS AND SUMMER HAVEN**

**BAKER WOODS**
DHNP project based 8 vouchers for a 96 unit building in the City of Virginia Beach. DHNP handles all Section 8 requirements for the 8 participants from Virginia Beach. The project services disabled individuals.

**SUMMER HAVEN**
DHNP project based 6 vouchers for a 57 unit building in the City of Virginia Beach. DHNP handles all Section 8 requirements for the 6 participants from Virginia Beach. The project services disabled individuals.

**2012 REQUEST FOR PROPOSALS (RFP)**
In October, 2012, the department issued an RFP for project-based vouchers. We received four proposals and DHNP made commitments of vouchers to three of them, as follows:

- **Crescent Square Apartments, 1333 Diamond Springs Rd, Virginia Beach**
  PBVs requested: 42; PBVs awarded: 32; exception PBVs: 22

**ACTIVE PROJECT**

- **Church Street Station Studios, 2300 Monticello Ave, Norfolk** (name on original application: Norfolk Studios)
  This will be an 80 unit apartment complex with 38 total project-based vouchers; 8 of the
vouchers will be from Virginia Beach. Vouchers are reserved for this project in calendar year 2016.
PBVs requested: 8; PBVs awarded: 0;

Baker Woods Apartments, 544 Baker Rd, Virginia Beach
PBVs requested: 10; PBVs awarded: 10 – this amount was later reduced to 8 at the request of the developer.
ACTIVE PROJECT

Tranquility at the Lakes, 5827 Burton Station Rd, Virginia Beach
PBVs requested: 20; PBVs awarded: 20: exception PBVs: 10
ACTIVE PROJECT

2014 RFP
In February, 2014, the department issued another RFP for project-based vouchers. The RFP specified that vouchers would not be available until calendar year 2016. Five requests were received and DHNP made commitments of vouchers to two of them, as follows:

SLN-2081 apartments in Chesapeake, Virginia
This is a proposed 100 unit apartment complex to be developed by SL Nusbaum.
PBVs requested 11; PBVs awarded: 0. PBV vouchers could not be awarded to this project in Chesapeake due to an inability to obtain agreement from the City of Chesapeake for this action.

Rosemont Crossing, Buckner Blvd at Rosemont Rd, Virginia Beach
This is a proposed 54 unit apartment complex proposed by the Southeastern Virginia Housing Corp. and VBCDC.
PBVs requested: 6 PBVs awarded: 6. Exception PBVs: 0. This reservation of PBVs will be for calendar year 2016 or 2017. The project’s land use approval and financing have been delayed from the original schedule. PBVs were not awarded at this time.

Summer Haven, Baker Rd, Virginia Beach
This is a proposed 57 unit new construction project that would be developed by the Lawson Companies. It was originally named Baker II on the RFP application, and was later changed to Summer Haven.
PBVs requested: 6; PBVs awarded: 6; Exception PBVs: 0 (See Documents Section)
ACTIVE PROJECT
Chapter 19
PROJECT BASED VOUCHERS

Church Street Station Studios, 2300 Monticello Ave, Norfolk (name on original application: Norfolk Studios)
This is the same project that was applied for in 2012 but was not awarded at that time. This will be an 80 unit apartment developed by Virginia Supportive Housing. PBVs requested: 10; PBVs awarded: 10; Exception PBVs = NRHA units
ACTIVE PROJECT

CAMG Scattered Site Housing:
CAMG requested that 8 vouchers be committed to existing housing at scattered sites. An award could not be made because scattered sites are ineligible for project-based vouchers. PBVs requested: 8; PBVs awarded: 0

A complete summary of project based vouchers with tentative commitments from the 2012 and 2014 RFPs is as follows:

<table>
<thead>
<tr>
<th>Project</th>
<th>Developer</th>
<th>HAP Year</th>
<th>Location</th>
<th>Total Units</th>
<th>VB PBVs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crescent Square</td>
<td>Virginia Supportive Housing (VSH)</td>
<td>2016</td>
<td>Diamond Springs Rd, VB</td>
<td>80</td>
<td>32</td>
</tr>
<tr>
<td>Tranquility at the lakes</td>
<td>Seniors Unlimited</td>
<td>2017</td>
<td>Burton Station Rd, VB</td>
<td>40</td>
<td>20</td>
</tr>
<tr>
<td>Baker Woods Apartments</td>
<td>Lawson</td>
<td>2015</td>
<td>Baker Rd, VB</td>
<td>96</td>
<td>8</td>
</tr>
<tr>
<td>Church Street Station Studios</td>
<td>Virginia Supportive Housing (VSH)</td>
<td>2017</td>
<td>Monticello Ave, Norfolk</td>
<td>80</td>
<td>10</td>
</tr>
<tr>
<td>Summer Haven (formerly Baker II)</td>
<td>The Lawson Companies</td>
<td>2017</td>
<td>Baker Rd, VB</td>
<td>57</td>
<td>6</td>
</tr>
<tr>
<td><strong>Subtotal Committed</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>353</strong></td>
<td><strong>76</strong></td>
</tr>
</tbody>
</table>
Chapter 19
PROJECT BASED VOUCHERS

2015 RFP
In January 2015, the department issued a RFP for project based vouchers. Two proposals were received, but no voucher commitments were approved.

**CAMG Rehab Phase I, 100A, 100B, 102A, 102B South Palm Road, Virginia Beach.**
This is a 14 unit scattered site proposal submitted by Community Alternatives Management Group.
An award could not be made because scattered sites are ineligible for project-based vouchers. **PBVs requested: 4. PBVs awarded: 0**

**Indian River Landing, 809 S. Military Highway, Virginia Beach.**
This is a 60 unit rehabilitation and new construction proposal designated for senior living, submitted by Southeastern Virginia Housing Corporation *dba* Second Act Communities.
SVHC withdrew the proposal.

2015 RFP
In July 2015, the department issued a RFP for project based vouchers. Two proposals were approved.

**Arbor Trace Apartments, 624 Suhtai Court, Virginia Beach.**
This is a 148 unit rehabilitation and new construction proposal submitted by 2nd Act Communities /VBCDC. Units requested: 15. Units awarded: 15
*This project is on hold for VBCDC to complete funding acquisition

**Seaside Harbor Apartments, Virginia Beach**
This is a 76 unit rehabilitation and new construction proposal submitted by Lawson Companies. **PBVs requested: 6. PBVs Awarded: 6.**
*Due to relocation requirements this project plan was later withdrawn.

2016 RFP
In December 2016, the department issued an RFP for project based vouchers. 1 proposal was approved.

**Price Street Apartment Community**
This project is a 264 unit new construction proposal submitted by The Franklin Johnston Group.
PBV’s requested: 20. PBVs awarded: 20
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This section provides details on the project for which financing has been obtained and HAP contract is expected to be executed in calendar year 2017. If/when the other projects for which tentative commitments have been made obtain financing, details will be added to this plan at that time.

Church Street Station Studios, 2300 Monticello Ave, Norfolk
New Construction
Developed by Virginia Supportive Housing

<table>
<thead>
<tr>
<th># of Units</th>
<th>Uses/Issues</th>
<th>Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>80 units total</td>
<td>Studio apartments</td>
<td></td>
</tr>
<tr>
<td>80 total PBVs out of the 80 units</td>
<td>Project-based vouchers (PBV)</td>
<td>For previously homeless persons</td>
</tr>
<tr>
<td>10 units of the 80 PBVs</td>
<td>Virginia Beach project-based vouchers</td>
<td>For previously homeless persons</td>
</tr>
<tr>
<td>70 units of the 80 PBVs</td>
<td>NRHA project-based vouchers</td>
<td>For previously homeless persons</td>
</tr>
<tr>
<td>0 exception units for VB (25% of 80 total units would be 20 PBV’s allowed; since we have 8, there are 0 exception units)</td>
<td>Exceptions to the 25% limitation</td>
<td>Support services to be provided (see below for description)</td>
</tr>
<tr>
<td>8 accessible units of the total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Project Status and Steps Remaining Before HAP CONTRACT EXECUTION
In January 2016, an environmental review and release of funds process via HUD was completed. The required Subsidy Layering review was approved to HUD and the AHAP was executed. Construction began in April 2016. Occupancy will occur in mid to late 2017.

Description of Support Services to be Provided: Residents of units in Church Street Station Studios will be provided and have access to on-site social work services to assist them in obtaining benefits, employment, to connect them to case management and as needed mental health and/or medical health services, and to help them maintain their housing stability. In addition, transportation services will be available for meeting critical transportation needs of residents without cars, or where public transportation cannot provide what is needed.
INTRODUCTION

DHNP maintains its credibility with applicant and participant families, owners, HUD, and the larger community by enforcing program requirements. When families, owners, or DHNP employees fail to adhere to program requirements; the DHNP must take appropriate action.

DHNP will address program errors, omissions, fraud, or abuse through both prevention and detection. Preventive measures are the most effective way to deter widespread program irregularities.

DHNP is committed to assuring that the proper level of benefits is paid to all participating families and that housing resources reach only income-eligible families so that program integrity can be maintained.

DHNP will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

This chapter outlines DHNP's policies for the prevention, detection, and investigation of program abuse and fraud.

A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

It is important that DHNP staff recognize the differences between unintentional and intentional misreporting. A policy that clearly defines circumstances under which a family or owner would be terminated from the program, but also allows the DHNP to consider mitigating circumstances before terminating, is best. [HCV Guidebook Chapter 22-See table at end of Appendix]

DHNP 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 DHNP's attention, to investigate such claims.

DHNP will initiate an investigation of a participating family only in the event of one or more of the following circumstances:

**Referrals, Complaints, or Tips.** DHNP will follow up on referrals received by mail, by telephone, in person from other agencies, companies or persons alleging that a family is in noncompliance violating the family obligations or any other program rules. A copy of the allegation will be retained in the family's file.

**File Review.** An Investigation will be initiated if DHNP staff discovers during recertification, interim re-determination, or quality control review information or facts that conflict with previous file data, DHNP's knowledge of the family, or statements made by the family.

**Verification of Documentation.** An Investigation will be initiated if DHNP receives documentation that conflicts with information in the family's file (such as public records information or reports from credit bureaus or other agencies).
B. STEPS DHNP WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD

DHNP management and staff will utilize various methods and practices (listed below) to prevent program abuse, noncompliance, and willful violations of program rules by applicants and participating families.

Things You Should Know (HUD-1140-0IG). This program integrity bulletin (created by HUD's inspector general) will be furnished and explained to all applicants to promote understanding of program rules and to clarify DHNP's expectations for cooperation and compliance.

Waiting list Briefing. A mandatory briefing conducted by DHNP staff for all prospective program participants, either prior to or upon issuance of a voucher. At the conclusion of the briefing, the family representative will be required to sign a program-briefing certificate to confirm that all rules and pertinent regulations were explained to them.

Recertification Process. DHNP staff will provide housing counseling review program rules requirements and forms prior to signing.

Instructive Signs and Warnings. Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse.

Participant Certification. All family representatives will be required to sign a Certification of Family Responsibility.

C. STEPS DHNP WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD

DHNP staff will maintain a high level of alertness to 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, files will be reviewed in accordance with HCV Management Assessment (SEMAP) program guidelines. At a minimum, such reviews shall examine:

- Verification of all income and deductions
- Changes in reported Social Security numbers or dates of birth
- Authenticity of file documents
- Consistency of signatures with previously signed file documents
- Dates and signatures on all documents
ADDITIONAL PROGRAM INTEGRITY
[24CFR 792.101 to 792.204, 982.54] [HCV Guidebook-Chapter 22]

- Verification of rent calculations and utility allowances

**Observation.** DHNP management 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. A fraud investigation will be initiated.

**EIV.** Inquires of HUD’s EIV system will be conducted for recertification, interim redeterminations, and when unreported income is suspected. AN inquiry of the State Wage Data Record will also be conducted.

**Credit Bureau Inquiries.** Credit bureau inquiries may be made (with proper authorization by the participant) in the following circumstances:

- When an allegation is received by DHNP wherein unreported income sources are disclosed
- When a participant's expenditures exceed his/her reported income and no plausible explanation is given

**D. DHNP'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD**

DHNP staff will encourage all participating families to report suspected abuse to the HCV Program Coordinator, Housing Fraud Coordinator, and/or their Housing Specialist. All allegations, complaints, and tips will be carefully evaluated to determine whether they warrant follow-up.

**File Review.** DHNP will review the file to determine whether the information reported has been previously disclosed by the family.

DHNP will then determine which agency it is the most appropriate authority to contact (i.e. police or social services).

**Conclusion of Preliminary Review.** If at the conclusion of the file review there are facts contained in the allegation that conflict with file data and are verifiable, Fraud Coordinator will initiate an investigation to determine if the allegation is true or false.

**E. OVERPAYMENTS TO OWNERS**

DHNP will make every effort to recover any overpayments made as a result of landlord fraud or abuse. Payments otherwise due to the owner may be adjusted in order to repay DHNP or the tenant, as applicable.

**F. HOW DHNP WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD**

If DHNP determines that, either an allegation or referral warrants investigation, the HS assigned to the family or the Fraud Coordinator will initiate an investigation. The steps taken will depend upon the nature
of the allegation and may include the items listed below. In all cases, DHNP will secure the written authorization from the program participant for the release of information.

**Credit Bureau Inquiries.** In cases involving previously unreported income sources, a credit bureau inquiry may be made to determine whether the financial activity of a family conflicts with the family's reported income.

**Current Employers and Previous Employers.** May be contacted to verify wages that may have been previously undisclosed or misreported.

**Neighbors/Witnesses.** Neighbors and/or other witnesses who are believed to have direct or indirect knowledge of facts pertaining to DHNP's review may be interviewed.

**Other Agencies.** Investigators, caseworkers or representatives may be contacted.

**Public Records.** DHNP will review any relevant public records kept. 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.

**Concerns Meeting.** When appropriate or requested, DHNP will discuss the allegation with the head of household or family members by scheduling an appointment at the DHNP office. If any family engages in abusive or violent behavior towards DHNP personnel, it will be cause for termination or denial. Abusive or violent behavior includes verbal as well as physical abuse or violence. Use of profanity that is generally considered insulting, racial slurs or other language written or oral, that is customarily used to insult or intimidate will be cause for termination or denial. Actual physical abuse or violence will always be cause for immediate termination. If possible, an additional staff person will attend such interviews.

**G. PLACEMENT OF DOCUMENTS, EVIDENCE, AND STATEMENTS OBTAINED BY DHNP**

Documents and other evidence obtained by DHNP during the course of an investigation will be kept in the participant's file. The participant's file or work file will be kept in a locked file cabinet. Such cases under review will be discussed only among DHNP staff that are involved in the process or have information that may assist in the investigation.

**H. CONCLUSION OF DHNP'S INVESTIGATION**

At the conclusion of the investigation, the Fraud Coordinator and Housing Specialist will determine the appropriate action (i.e. termination, repayment agreement.)

**I. ACTION PROCEDURES FOR DOCUMENTED VIOLATIONS**

Once a program violation has been documented, DHNP will propose the most appropriate remedy based upon the type and severity of the violation.
ADDENDUM
PROGRAM INTEGRITY
[24CFR 792.101 to 792.204, 982.54] [HCV Guidebook-Chapter 22]

1. Procedural Noncompliance. This category applies when the family "fails to" observe a procedure or requirement of DHNP but does not misrepresent a material fact and there are no retroactive assistance payments owed by the family.

Examples of non-compliance violations are:

- Failure to appear at a prescheduled appointment
- Failure to return verification in the time period specified by DHNP

(a) Warning Notice to the Family. In such cases, a notice containing the following will be sent to the family:

- A description of the noncompliance and the procedure, policy, or obligation that was violated
- The date by which the violation must be corrected or the procedure complied with
- The action that will be taken by DHNP if the procedure or obligation is not complied with by the date specified by DHNP
- The consequences of repeated (similar) violations

2. Overpaid Assistance. When the family owes money to DHNP for failure to report changes in income or assets, DHNP will issue a notice of overpayment of assistance. This notice will contain the following:

- A description of the violation and the date(s)
- The amount owed to DHNP
- The number of days within which a response must be received
- Acknowledgment of the family's right to disagree and to request an Informal Hearing along with instructions for requesting such a hearing

(a) Participant Fails to Comply with DHNP's Notice. If the Participant fails to comply with DHNP's notice and a family obligation has been violated, DHNP will initiate termination of assistance.

(b) Participant Complies with DHNP's Notice. When a family complies with DHNP's notice, the staff person responsible will meet with him/her to explain and discuss the family obligation or program rule that was violated. The staff person will complete a participant counseling report, give one copy to the family, and retain a copy in the family's file.
3. Misrepresentations. When a participant falsifies, misstates, omits, or otherwise misrepresents a material fact DHNP will evaluate, investigate, and take appropriate actions as follows:

- Notice to family describing misrepresentation
- Action to be taken by DHNP and then referral to the City Attorney for prosecution
- Family’s right to request an Informal Hearing

### ERRORS AND OMISSIONS VS. FRAUD AND ABUSE

**HCV Guidebook Chapter 22**

<table>
<thead>
<tr>
<th>By the Family</th>
<th>By the Owner</th>
<th>By the PHA</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Failure to report required information due to lack of understanding, such as omitting a particular asset or failing to report a source of income.</td>
<td>• Collecting housing assistance payments for an unoccupied unit, when the owner is not aware that the assisted family has vacated.</td>
<td>• Unintentionally miscalculating subsidy/rent.</td>
</tr>
<tr>
<td>• Incorrect reporting, such as reporting the income source but incorrectly stating the amount of income.</td>
<td>• Errors in specifying responsibilities for utility payments.</td>
<td>• Unintentionally determining eligible families as ineligible and vice versa.</td>
</tr>
<tr>
<td>• Failure to report changes as required, such as failure to notify the DHNP of a change in family composition or income.</td>
<td>• Collecting extra or “side” payments in excess of the family share of rent or requiring the family to perform extraordinary services in lieu of payments.</td>
<td>• Unintentionally approving rents that are not reasonable.</td>
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<td>• Intentionally misrepresenting income, assets, and allowances.</td>
<td>• Charging families for utilities that are the owner’s responsibility.</td>
<td>• Misinterpreting documentation or information provided by a third party.</td>
</tr>
<tr>
<td>• Intentionally misrepresenting family composition.</td>
<td>• Collecting housing assistance payments for units not occupied by program participants.</td>
<td>• Forgetting to inform the participant of a reporting requirement or to collect all required information during an interview.</td>
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<tr>
<td>• Initiating and participating in bribes or other illegal activities.</td>
<td>• Bribing DHNP employees to certify a substandard unit as passing HQS.</td>
<td>• Unknowingly failing to apply program rules and procedures properly.</td>
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<td></td>
<td>• Other HQS violations involving misrepresentation and deceit.</td>
<td>• Late processing.</td>
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<td>• Willful passing of units not meeting HQS and/or local standards.</td>
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- Accepting kickbacks from owners, managers, or families to permit participation or to allow rents in excess of the rent reasonableness limitation.

- Intentionally calculating total participant payment or housing assistance payments incorrectly.

- Intentionally making incorrect determinations of family eligibility, including certifying as eligible otherwise ineligible applicants, coaching applicants to falsify documents, or changing an applicant’s position on the waiting list.
GLOSSARY OF TERMINOLOGY SECTION
Glossary of Terminology

1. ACC—Annual Contributions Contract
2. ADA—Americans with Disabilities Act
3. AMGI—Area Median Gross Income
4. APR—Annual Performance Report
5. CFR—Code of Federal Regulations
6. EIV—Enterprise Income Verification
7. FMV—Fair Market Value
8. FSS—Family Self-Sufficiency
9. HAP—Housing Assistance Payment
10. HQS—Housing Quality Standards
11. INS—Immigration and Naturalization Service
12. IRS—Internal Revenue Service
13. LEP—Limited English Proficiency
14. PBV—Project Based Voucher
15. RFP—Request for Proposals
16. RFTA—Request for Tenancy Approval
17. PHA—Public Housing Authority
18. PIH—Public & Indian Housing
19. SEMAP—Section Eight Management Assessment Program
20. SRO—Single Room Occupancy
21. SSA—Social Security Administration
22. SSI—Supplemental Security Income
23. TANF—Temporary Assistance for Needy Families
24. TDD—Test Driven Development
25. TTP—Total Tenant Portion
26. UIV—Upfront Income Verification
27. VASH—Veterans Affairs Supportive Housing
28. VAWA—Violence against Women Act
29. VBCDC—Virginia Beach Community Development Corporation
30. VCA—Voluntary Compliance Agreement
31. VSH—Virginia Supportive Housing
32. FMR—Fair Market Rent
33. EID—Earned Income Disallowance
34. USC—United States Code
35. URA—Uniform Relocation Assistance
January 31, 2003

Dear Member,

We are members of a Quality Organization striving daily to fulfill our mission and make a difference for the City of Virginia Beach. The City Council has established a Vision for the City -- *Community for a Lifetime* and set Destination Points that provide direction for our work. Our job is to effectively and efficiently operate and improve the system -- Virginia Beach Quality Service System - and help create the future.

We are challenged every day to do the right things. We are guided in the performance of public service by our established Organizational Values.

High ethical standards are regarded as a hallmark of excellence in public service. Our Code of Ethics, adopted in 1968, provided a framework for our standards of conduct. Federal and state laws and the City Code establish many of these standards of conduct. In addition, we have policies, directives and standard operating procedures that help set boundaries for our behavior.

A Code of Ethics establishes a set of principles that guide staff conduct in relations with citizens, customers, vendors and contractors, the community and other members. These principles should preserve the integrity of these relationships and assist in maintaining the highest level of public confidence in the impartial and principled operation of government. Our Code of Ethics can help by increasing awareness of key ethical issues, serving as a guide in decision-making; encouraging members to seek advice and clarify where to go for assistance; addressing misconduct and related concerns; and building trust within the City organization and the community.
A Code of Ethics offers an invaluable opportunity for the City of Virginia Beach to further its positive public identity. This can lead to a more supportive environment and increased level of confidence and trust among important stakeholders.

What does the code mean to you as a full-time, part-time, or volunteer member of this organization? It is a guide to the acceptable standards of ethical behavior. It clarifies expectations and links to legal requirements and policies.

This Code does not preclude departments from developing additional standards and practices specific to departmental needs. However, departmental standards cannot conflict with the Code of Ethics or federal, state and local laws.

Our Code of Ethics is a living document that will change to meet the needs of the organization and its members. I believe we all want to do a good job and add value to the organization by serving our City. Our Code of Ethics, updated by members, is intended to set clear expectations and assist you with the information and direction when you have a question or concern.

With Pride in Our City,

[Signature]
James K. Spore
City Manager
Principles Of Ethical Conduct
A strong ethical reputation is vital to earning and strengthening the public's trust. All of us who work for the City of Virginia Beach share a personal responsibility to protect, preserve, and enhance our reputation by devoting ourselves to the highest ethical behavior while serving the public interest. We embrace that responsibility and live by the following principles:

**Principles of Ethical Conduct**

1. **INTEGRITY**: We act with honor, courage, fairness, and truthfulness, without bias or impropriety.

2. **ACCOUNTABILITY**: We provide quality services by holding others and ourselves to the highest standards while taking responsibility for the efficient and effective use of resources.

3. **RESPECT**: We treat everyone with courtesy, dignity, and kindness, appreciating the diversity and uniqueness of all.

4. **PROFESSIONALISM**: We foster a culture of excellence and loyalty by our actions and through organizational, vocational, and personal growth.

5. **CITIZENSHIP**: We uphold federal, state, and local laws, while embracing the Organizational Mission and Values, to protect the public interest and make our community a better place to live and work.
Principle 1:

INTEGRITY
*We act with honor, courage, fairness, and truthfulness, without bias or impropriety.*

GUIDELINES

- We are honest, accurate, and forthright in all our dealings with coworkers and members of our community.

- We promote trust, openness, opportunity and growth with those in the workplace and in the community.

- We base our decisions on professional standards, not personal interests.

- We take responsibility for ensuring that our actions do not create actual, potential or the appearance of conflicts of interest or impropriety.
Some Commonly Asked Questions

Q: Because of the nature of my work for the City, citizens often ask me to recommend a company or commercial service provider. Is it appropriate for me to provide recommendations, based upon my knowledge and experience?

A: No. Such recommendations made while acting in an official capacity, or by virtue of your position, improperly suggests that the City favors one individual or business over another.

Q: Is it permissible on my off-duty days for me to work for a private contractor that does work for the City?

A: Secondary employment is permissible only upon the employee's supervisor's prior written approval. It is the employee's responsibility to obtain the approval on at least an annual basis. Approval will be based upon whether the secondary employment may impair your efficiency in your City employment or create a potential conflict of interest. Generally, secondary employment with a business that does work for the City of Virginia Beach will not be approved.

Q: Is it ethical for me to purchase or even ask to purchase products or services at City-negotiated prices for my personal use?

A: No. That would bring into question the City's objectivity in making procurement decisions.

Q: May I accept a free lunch or some other type of gift from a vendor, client, or customer?

A: The State and Local Government Conflict of Interests Act contains the following prohibitions concerning gifts: Government employees may not accept a gift from any person, business, or other entity that has interests that may be substantially affected by the performance of the employee's official duties under circumstances where the timing and nature of the gift would cause a reasonable person to question the employee's impartiality. Also, employees may not accept gifts from sources on a basis so frequent as to raise the appearance that they are using their public office for private gain. In summary, the safest course of action is to decline gifts of more than a nominal value. With respect to meals, take turns paying or, better yet, always pay for your own meal.

Q: My position provides me with access to confidential information not available to the general public. Are there restrictions on how I may use this information?

A: Use of "insider" information for personal gain, or to selectively provide competitive advantages to others, is both unethical and illegal.

Q: Is it permissible for me to hire a relative or close friend?

A: City policy and the Conflict of Interests Act prohibit the employment of relatives in a supervisory-subordinate relationship. Neither City policy nor the Conflict of Interests Act addresses the employment of close friends. All City employment decisions must be based solely on merit. If a close friend applies for a City position and you are authorized to make a hiring decision on your close friend's application, avoid the potential appearance of impropriety by disqualifying yourself from making the hiring decision.
CROSS REFERENCES

Virginia Code §§ 2.2-3100 to - 3127 comprises the State and Local Government Conflict of Interests Act. The primary focus of the Act is on the financial interests of government officers and employees in transactions of, or contract with, their governmental agency. The Act also addresses the receipt of gifts by public employees, the use of confidential information not available to the general public, and the employment of relatives.

Virginia Code §§ 2.2-4367 to - 4377 comprises the Ethics in Public Contracting provisions of the Virginia Public Procurement Act. These Code sections place restrictions on government employees who make procurement decisions on behalf of the City.

City Code § 2-80 requires employees to publicly disclose their interest in land to be zoned in a zoning case before the Planning Commission or City Council.

Human Resources Policy 1.03 addresses employment in second jobs.

Human Resources Policy 1.4 addresses employment of relatives.
Principle 2:

ACCOUNTABILITY

We provide quality services by holding others and ourselves to the highest standards while taking responsibility for the efficient and effective use of resources.

GUIDELINES

- We recognize our responsibility to improve our City and our local government.

- We ensure that our conduct is always in accord with the public interest and remember that city resources are for official business and not for private use.

- We protect privacy rights by safeguarding confidential information. We balance this responsibility with our obligation to be forthright and open in all activities.

- We are stewards of City resources and use them efficiently and economically.

- We encourage creativity and innovation.
Some Commonly Asked Questions

Q: What are the general guidelines for the use of City resources?

A: We have a duty to ensure the proper stewardship of all City resources, including funds, facilities, equipment, supplies, and employee worktime. We should conserve City resources and use them efficiently.

Q: May I occasionally use my City e-mail account to send a personal message to a friend or coworker? May I occasionally use a City phone for a personal local call?

A: The City's network resources, including e-mail accounts, are provided for official City business and generally should not be used for personal reasons. Occasional, but not frequent, use of your City e-mail account for a personal message is permissible, as is occasional use of a City phone for a personal local call.

Q: If I discover that my closest friend at work has for years forged City records and stolen from the City, what should I do? What if I hardly know the thief?

A: If you suspect an illegal activity involving the City, its records, or its resources, you have an obligation to report it to your supervisor, Audit Services, or the Police. You can also contact Human Resources for help in how to best handle the situation.

CROSS REFERENCES


City Code § 2-90 addresses employee use of City funds, supplies or equipment for political purposes.

Administrative Directive 2.04 contains the City’s requirements on the use of computer network resources.

Administrative Directive 2.05 contains the City’s requirements on the use of wireless phones.

Human Resources Policy 6.02(A) contains the City’s policy concerning employees and job applicants who have been charged with or convicted of a crime.
Principle 3:

RESPECT

*We treat everyone with courtesy, dignity, and kindness, appreciating the diversity and uniqueness of all.*

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**GUIDELINES**

- We work together with citizens to create a strong community.

- We believe that people of diverse backgrounds and beliefs enrich our city and work environment.

- We respect those who may not share our background or beliefs.

- We consider all points of view when resolving conflicts and believe that the best decisions are the result of working and learning together, listening, and respecting the diversity of opinions.

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**Some Commonly Asked Questions**

**Q:** An employee in my department constantly insults one of our coworkers, which makes everyone in our area feel uncomfortable. What can I do?

**A:** Someone needs to talk with the disrespectful coworker. If you are comfortable doing this yourself, you should do so. If not, talk to your supervisor, or contact Human Resources for help in how to best handle the situation.

**Q:** My supervisor is verbally abusive and uses derogatory language. Is this behavior acceptable?

**A:** No. Every one of us deserves to be treated with respect, regardless of our position in the City’s hierarchy. Again, contact Human Resources/Employee Relations for help in how to best handle the situation.
CROSS REFERENCES

City Code §§ 2-128 to -140 outlines the City's employee grievance procedure.


Human Resources Policies 4.03 and 6.06 contain the City’s equal employment opportunity policy and complaint procedure.

Human Resources Policy 4.04 addresses employee grievances.

Human Resources Policy 4.05 contains the City's open door policy.

Human Resources Policy 6.04 addresses the employee suggestion program.

Human Resources Policy 6.07 addresses employee performance feedback reports.
Principle 4: 

PROFESSIONALISM  
*We foster a culture of excellence and loyalty by our actions and through organizational, vocational, and personal growth*

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GUARDIANES

- As employees, we are dedicated and loyal to the organization. We conduct ourselves responsibly to maintain public trust and confidence in the performance of our professional duties.

- We are professional in our actions, words, and appearance. We demonstrate professional excellence and commitment to the standards of our occupation.

- We are competent professionals, and we strive to improve through continuing education, training, and research. We perform and provide service only in the areas of our competence.

- We pursue organizational, vocational, and personal growth for others and ourselves.

- As representatives of the City, we foster community goodwill and support informed communication.

- We are ethical leaders and demonstrate by example the highest standards of ethical conduct.

- We seek guidance if ever in doubt about the ethical propriety of a situation.
### Some Commonly Asked Questions

<table>
<thead>
<tr>
<th>Q:</th>
<th>One of your responsibilities as a City employee is to be informed and to understand the rationale for decisions. If you disagree with the position of the City on any matter, you are encouraged to ask questions and/or use the informational resources available.</th>
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<tr>
<td>A:</td>
<td>The best approach would be to ask your supervisor for permission or training to provide this information to citizens. Currently, you may not be qualified or authorized to answer follow-up questions about the program, and your supervisor may be protecting you and the City from liability if a wrong answer is provided.</td>
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<tr>
<th>Q:</th>
<th>I have been with the City for twenty years. My department just hired a new staff person who is constantly asking me questions about the department, about the City, and about our roles. There is nothing in my job description about helping others learn, so do I have to continue helping him?</th>
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<tr>
<td>A:</td>
<td>It is our responsibility as professionals to pursue organizational, vocational, and personal growth for our coworkers, as well as ourselves. We should assist each other, so long as it does not adversely affect our own job performance.</td>
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<thead>
<tr>
<th>Q:</th>
<th>Every day I get calls from citizens complaining that their bills from the City are too high. I agree! What should I say?</th>
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<tbody>
<tr>
<td>A:</td>
<td>It is important in helping our citizens that we provide information that will build trust and confidence in the City and its delivery of services. Telling a citizen that you also believe City bills are too high is not the proper message.</td>
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### CROSS REFERENCES

Many professions and vocations have codes of conduct, professional guidelines, and other rules regarding ethics, certification, and professional licenses. You may obtain copies of these documents from your supervisor or directly from the organization or organizations that regulate your profession or vocation.
Principle 5:

CITIZENSHIP

We uphold federal, state, and local laws, while embracing the Organizational Mission and Values, to protect the public interest and make our community a better place to live and work.

GUIDELINES

- We encourage everyone to participate in our country's democratic process.

- We may join and participate in the activities of political, professional, charitable, and advocacy groups and organizations, provided that our participation does not give rise to a conflict of interest or interfere with the performance of our duties as public employees.

- We understand that the public's confidence in us would be jeopardized if we use our position as public employees to support or oppose a candidate for elective office.

- We uphold all federal, state and local laws, and we encourage others to do the same.

- We conduct the public's business in full compliance with the intent and requirements of all laws and regulations.

- We work in accordance with our Organizational Mission and Values.
Some Commonly Asked Questions

Q: May I fund-raise at work, during my work hours?

A: The City and its employees have a long tradition of supporting nonprofit fund-raising activities, including the United Way Campaign, Relay for Life, and a host of smaller efforts for schools and others. Such activities demonstrate our commitment to the community we serve. Department directors and supervisors are responsible for monitoring their service delivery efforts, and they must use appropriate discretion in allowing employees to use work time for nonprofit fund-raising activities. If fund-raising activities take employees away from their jobs for extended periods of time or negatively impact service delivery, the supervisor is responsible for re-focusing efforts on service delivery and stewardship of public resources.

Q: If I participate in a protest on my own time and media coverage of the protest identifies me as both a participant and a City employee, can I be disciplined for my actions?

A: The City Code prohibits City employees from using the status or prestige of their position with the City on behalf of, or in opposition to, any candidate for public office. Employees also may not use City funds, supplies, or equipment for political purposes, nor may they wear a City uniform while participating in political activities. In addition to complying with these legal requirements, we should take reasonable steps to ensure that observers, including the media, understand that issue and candidate advocacy is a personal decision and does not necessarily reflect the position of the City or its employees.

Q: I want to join an advocacy group. Do I have to obtain authorization from my supervisor first, as with secondary employment?

A: Generally, authorization is not necessary. You should seek guidance, however, when there is a potential that participating in the group may give rise to a real or perceived conflict of interest or may interfere with the performance of your duties as a public employee.

Q: May I campaign, on my own time, on behalf of a candidate for public office?

A: You may campaign on your own time on behalf of political candidates for any office: federal, state, or local—except candidates for mayor or council member of the City of Virginia Beach. In order to avoid appearances of impropriety, the City Code prohibits city employees from participating in political campaigning or management associated with the election of any person to the position of mayor or city council member of the City of Virginia Beach.

CROSS REFERENCES

City Code § 2-90 addresses political activities by city employees.

Administrative Directive 1.10 contains the City’s requirements regarding fund-raising activities.

Administrative Directive 3.01 contains the City’s requirements on petitioning, picketing, and other expressive activities in City buildings.
CONCLUSION

As members of the City of Virginia Beach workforce we are stewards of the public trust. We have individual responsibility to assure our citizens and each other that we uphold and conduct ourselves in a manner reflecting the highest principles of ethical behavior. This Code of Ethics, therefore, is a guide to our principles of conduct. It provides a framework for acceptable behavior and the expectations of each member of our organization in the conduct of our work. Citizens and members alike should be confident in the guidance that these principles provide knowing that the intent is to maintain a common understanding and commitment to the highest standards of conduct. In helping to create and promote a safe and positive workplace environment, we will support each other in maintaining these standards.

Members are encouraged to seek advice about any concerns they may have regarding the Code of Ethics. The Department of Human Resources/Employee Relations Divisions serves as a resource for addressing member concerns. Should you have any questions please contact the Employee Relations Manager at 427-8949.

Through our professionalism and commitment to the highest ethical behavior we will ensure that the City of Virginia Beach is a Community for a Lifetime.
ACKNOWLEDGEMENTS

The contributions of numerous members who assisted in this update of our Code of Ethics are greatly appreciated.

MEMBERS

RESOURCE GROUP:
Nicki Adams, Convention & Visitor Development
Melissa Bradley, Housing & Neighborhood Preservation
Dennis Craff, Media & Communications Group
Trish Donahue, Finance
Greg Ferebee, Parks & Recreation
Tom Laidlaw, Mental Health, Mental Retardation and Substance Abuse
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Beverly Spencer, Human Resources
Susie Walston, City Manager’s Office
The City of Virginia Beach Department of Housing and Neighborhood Preservation (DHNP)

Housing Choice Voucher Family Self-Sufficiency (FSS) Program Action Plan
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I. Overview
II. Program Guidelines and Organization
III. Operating Procedures

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V. Escrow Account
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   B. Withdraw of Escrow Funds
   C. Forfeiture of the Escrow Account
   D. Reduction of the Escrow Account

VI. Support Service and Resources

VII. Transitional Assistance

VIII. Additional Information

IX. FSS Participant Demographics
I. Overview - Family Self-Sufficiency (FSS)
City of Virginia Beach Department of Housing and Neighborhood Preservation (DHNP)

The City of Virginia Beach Department of Housing and Neighborhood Preservation’s (DHNP) Family Self-Sufficiency Program (FSS) represents a community-based approach to the organization and delivery of locally available community services in order to assist eligible families to become self-reliant and independent of all forms of public assistance. The Program is designed to identify the needs of participating families, assist with overcoming barriers and coordinate services to facilitate their efforts to achieve and maintain economic self-sufficiency. Once participants’ needs are assessed, they enter into a five year contract to pursue the goals they have identified to ensure self-sufficiency.

The FSS Program provides a vehicle for steering clients towards economic independence and its associated benefits by establishing coordination of existing services and a referral system to those services. DHNP maintains an escrow account for participating families, whereby increases in rent due to increases in earned income will be deposited. FSS is intended to enable participants to achieve a greater degree of economic independence and self-sufficiency.

DHNP can be expected to reasonably serve fifty (50) families in the FSS Program.

II. Program Guidelines and Organization

FSS families will design individual service and training plans with short term and long term goals. Each FSS family will report progress made toward completion of their contract goals. The FSS Coordinator will also work with the various service providers to open linkages for meeting each family’s assessed needs. In summation, the primary duties (not all inclusive) of the FSS Coordinator are:

- To provide program outreach and marketing,
- To recruit potential participants,
- To coordinate screening and selection procedures,
- To provide general case management,
- To execute and administer the Contracts of Participation,
- To provide and coordinate resources referrals,
- To prepare progress reports as requested, and
- To serve as a liaison between DHNP and the FSS Coordinating Committee.

The FSS program will be supported by a Program Coordinating Committee (PCC) comprised of representatives of local public and private sector organizations. DHNP has partnered with NRHA PCC to assist and/or complement services for participants. The PCC will meet on a quarterly basis unless more frequent meetings are deemed necessary. The primary responsibilities of the FSS-PCC members are:
To inform the general community of the existence of the FSS program and solicit support for its basic goals,
To mobilize adequate resources in support of FSS objectives,
To identify obstacles to the success of the FSS Program and develop effective approaches to overcome them,
To assist in planning for the effective implementation of the Program, and
To serve as a resource provider if possible.

DHNP has successfully graduated their 25 mandatory participants and currently administers a voluntary program.

III. Operating Procedures

Families to be selected for participation in the FSS Program must be participants of DHNP’s Section 8 Housing Choice Voucher (HCV) Program. The procedures of outreach are:
- Posting program flyers
- Distributing program fact sheets and brochures
- Conducting program briefings
- Obtaining referrals from Housing Specialist
- Providing interest forms in the PHA’s main lobby
- Mailing information directly to eligible families
- Publishing information in the RAB newsletter

Outreach material will provide basic information on how the FSS program works, what a family needs to do to get involved, and who to contract for more information. The FSS Program will be marketed to all eligible families to ensure that all are given an equal opportunity to participate and to ensure maximum participation. Selected families will be notified and given an appointment for the needs assessment interview. A waiting list will be maintained if there is an insufficient number of available FSS slots. Applicants will be assigned to the waiting list based upon the time and date of their original interest form following submission of their completed application.

Applicants to the FSS Program may be denied participation if they owe debts to the DHNP or another PHA or have been previously terminated from the FSS Program, or did not meet the obligations of the FSS program as a previous participant.

DHNP is not obligated to accept a relocating/incoming portability FSS family into its FSS Program due to a “billing” status and an inability to absorb the family into DHNP’s voucher allocation.

HCV applicants will not be delayed the receipt of housing assistance due to not electing to participate in the FSS Program.
IV. Contract of Participation

The Contract of Participation is an agreement between DHNP and the participating family, which sets forth the provisions of the Family Self-Sufficiency Program as well as the obligations of the family.

A. The resources and appropriate supportive services which will be made available to the family under FSS;
B. DHNP’s authority to terminate or withhold FSS supportive services if the Head of Household fails to comply with the contract requirements; and
C. The Head of Household’s requirements to fulfill the obligations to which it has committed.

The contract will require that the Head of Household seek and maintain suitable employment throughout the term of the contract, including an extension of the contract. If the Head of Household is seeking employment, he/she will report their job-seeking activities on a bi-weekly basis. This activity report will consist of the number of potential employers contacted and the number of job interviews the participant attended during that bi-weekly period. The minimum number of required employer contacts/job interviews for a bi-weekly period will be determined by the FSS Housing Specialist in consultation with the family and will consider school attendance, current family circumstances, and other factors which may affect the extent of the search for employment.

A. Extension of Contract
DHNP may, in writing, extend the term of the contract for no more than two years for any participating family that, in writing, requests an extension. Good cause shall mean circumstances beyond the control of the participating family, such as serious illness, involuntary loss of employment, or language barriers. Good cause may also include the need to maintain twelve consecutive months of being welfare free in order to fulfill the terms of the contract. Extension of the contract will entitle the family to continue to have credit applied to their account during this period.

B. Termination of Contract
The Contract of Participation may be terminated by:
✓ Mutual consent of the parties;
✓ Families fulfilling all the goals outlined in their Individual Training and Services Plan (ITSP), including all household members being welfare free for twelve consecutive months can opt to complete;
✓ The failure of the participating family, or a member of the family, to honor the terms of the contract;
✓ Achievement of self-sufficiency by the family (Housing Choice Voucher Tenant rent portion is equal to 100% of the Contract Rent (“Zero HAP”));
✓ Expiration of the contract, term, and any extension thereof;
✓ The participating family’s withdrawal from the Program;
✓ Termination of housing assistance and the applicable lease;
✓ By such other act as is deemed inconsistent with the FSS Program; or
✓ By operation of law
Failure to fulfill the Contract of Participation and termination of such contract may result in withholding or terminating supportive services. The participant will be notified in writing of the reason(s) for termination. If requested by the participant, an informal hearing will be held regarding the termination and will follow the standard grievance procedure in the Section 8 Administrative Plan.

Housing Choice Voucher (HCV) assistance will not be terminated for exclusively failing to meet the requirements of the FSS Program. HCV assistance may be terminated for violating HCV family obligations or for serious or repeated violations of the participant’s lease.

If the FSS Head of Household leaves the household during the term of the Contract of Participation, and the remaining family members want to continue to participate in FSS, the new Head of Household will be designated as the FSS Head of Household. The former Head of Household is not entitled to any escrow funds. The HCV and FSS Heads of household must always be the same person.

If the FSS Head of Household leaves the household after the expiration of the FSS Contract of Participation, the FSS Contract provides for the remaining family members, with consultation with DHNP, to designate a family member to receive the escrow funds. The former Head of Household is not entitled to any escrow funds.

If any family member with an Individual Training and Services Plan (ITSP) leaves the assisted family during the term of the FSS contract, DHNP will cancel the ITSP for that family member.

C. Completion/Fulfillment of Contract
DHNP has the sole responsibility for determination whether all FSS participating families have completed their obligations under the contract, including the requirements of each Individual Training Services Plan, and determines when the head of the participating family has obtained and maintained suitable employment during the term of the contract. The head of the FSS family must certify to the best of his/her knowledge and belief that members of the FSS family are no longer recipients of welfare assistance and have not been recipients for at least twelve (12) consecutive months. The amount in the family’s escrow account, in excess of any amount owed to DHNP by the FSS family, will be allocated after the family fulfills its obligations under the signed contract.

V. Escrow Account
DHNP will establish a Family Self-Sufficiency escrow account for families participating in the program. During the term of the Contract of Participation, credit will be applied to this account in accordance with the procedures described herein.
A. Calculations for Investments

A participating family’s earned income may increase during the term of the Contract of Participation. If this occurs, DHNP will credit the participant’s Family Self-Sufficiency escrow account a portion of the increase in rent that would otherwise result from increase in earned income during the term of the Contract of Participation. The amount of the portion credited will be based upon calculations that take into account whether the participant is very low or low-income client. The income limits established by DHNP on an annual basis will be utilized to make this comparison. For FSS escrow calculations purposes, the adjusted annual income is compared to the income limit. For families over the low-income limit, there will be no FSS escrow credit. The escrow is based only on increases in earned income. Earned income is defined as income from wages, salaries, and other employee compensation as well as many earnings from self-employment. It does not include any pension or annuity, transfer payments, and cash or in-kind benefits, or income of children under 18. Failure to report increases in earned income may result in a loss of the escrow for the period not reported.

Current Section 8 rental increase guidelines permit FSS participants to request an increase prior to the next scheduled reexamination. For the purposes of calculating escrow credits, when adjusted income is below the very-low income limit, the estimated credit will be the family’s actual credit. In this instance, the amount to be escrowed is the lesser of:

1. The difference between 30% of current monthly adjusted income and the family rent adjustment to exclude increases in earned income;

OR

2. The difference between current family rent and family rent on the effective date of the FSS Contract of Participation.

When the adjusted income exceeds the very-low income limit, 30% of the amount by which the adjusted income exceeds the very-low income limit is deducted from the estimated credit. The remainder is the family’s actual escrow credit. No credits will be made to the family’s FSS escrow account once the FSS family has completed the Contract of Participation or when the Contract is terminated or otherwise nullified. Funds held by DHNP in the escrow accounts of families participating in the program will be placed into HUD-approved investments. Investment income shall be credited periodically, but not less than annually to each participant’s account.

Each participating family will receive an annual statement detailing the following:

✓ The balance of the FSS family’s escrow account at the beginning of the reporting period,
✓ The amount of the family’s rent payment that was credited to the FSS account during the reporting period,
✓ Any deductions made from the account for amounts due the DHNP before interest is distributed,
✓ The amount of interest earned on the account during the year, and
✓ The balance of the account at the end of the reporting period
B. Withdrawal of Escrow Funds
The amount in a participating family’s escrow account, in excess of any amount owed DHNP, may be paid to the head of the family if:

1. DHNP determined that the participating family has met all of its obligations under the Contract of Participation, AND the head of the family certifies that to the best of his/her knowledge and belief, members of the participating family are no longer welfare recipients and all family members have been off welfare for twelve (12) consecutive months.

OR

2. 30% of the family’s monthly adjusted income equals or is greater than the Fair Market Rent amount for the unit size for which the family qualifies, AND the head of the family certifies that to the best of his/her knowledge and belief, members of the participating family are no longer welfare recipients and all members have been off welfare for twelve (12) consecutive months. If the head of the participating family ceases to reside with other participating family members in the assisted unit, the remaining members of the family, after consultation with DHNP, will have the right to designate another family member to receive the fund in accordance with the above. An FSS family may use its FSS account funds for the purchase of a home, including the purchase of a home under DHNP’s home ownership programs, Section 8 Housing Choice Voucher Home ownership Program, or other Federal, State, or local home ownership programs. However, the family can use the final disbursement of escrow funds without restriction.

DHNP may, at its sole option, disburse a portion of the funds from the family’s escrow account (interim disbursement) during the contract period for contract-related expenses if the family has fulfilled certain interim contract goals and needs a portion of the escrow funds for purposes consistent with the contract. DHNP may require documentation of purchases made with interim disbursements. FSS participants must make written request for any interim disbursements, which do not have to be repaid to DHNP unless the FSS family based the payment on fraud or misrepresentation.

C. Forfeiture of the Escrow Account
Amounts in the escrow account shall be forfeited:

1. If the participating family has failed to meet its obligations under the Contract of Participation; or

2. If the participating family is no longer under a Contract of Participation and/or is still a welfare recipient 6 years and 1 month from commencement of the Contract of Participation.

Escrow account funds forfeited by a participant will be treated as program receipts for the applicable Section 8 or Public Housing Program and will be used in accordance with HUD requirements governing the use of program receipts.

D. Reduction of the Escrow Account
Amounts in the family’s escrow account shall be reduced if DHNP has been notified by the landlord that the family has not paid the tenant portion of rent under the HCV assisted lease
and is facing eviction due to the unpaid rent. The balance in the family’s FSS escrow account shall be reduced by that amount (as reported by the owner to DHNP) before prorating the interest income.

If the FSS family had fraudulently under-reported income, the amount credited to the FSS account will be based on the income amounts originally reported by the FSS family.

VI. Support Services and Resources - Examples

Adult Learning Center
BANK ON Hampton Roads
Boleman Law Firm
Catholic Charities
City of Virginia Beach Department of Human Services, Mental Health/Substance Abuse
Dress for Success
The Legal Aid Society of Eastern Virginia
Opportunity Inc./One-Stop Workforce Development
STOP Inc.
Tidewater Community College
Towne Bank
The Up Center
Urban League of Hampton Roads
Virginia Cooperative Extension Association of Family and Consumer Services
Virginia Cure (Citizens United for the Rehabilitation of Errants)
Virginia Department of Social Services Prisoner Re-Entry program
Virginia Division of Child Support Enforcement
Virginia Housing Development Authority (VHDA)
Virginia Tidewater Consortium for Higher Education
Women, Infants, and Children (WIC) – Virginia Beach Department of Health

A. Participants in need of financial management, budgeting assistance, and credit counseling will be referred to:
   1. BANK ON Hampton Roads
   2. Catholic Charities
   3. The UP Center
   4. The Urban League of Hampton Roads
   5. The Virginia Cooperative Extension Association of Family and Consumer Services
B. Participants will be made aware of parenting services offered through:
   1. Catholic Charities
   2. The UP Center
   3. The Virginia Cooperative Extension

C. Participants desiring to obtain re-entry services for former inmates are referred to:
   1. Virginia Cure
   2. The Virginia Department of Social Services Prisoner Re-Entry Program

D. Participants exhibiting or expressing a need for mental health services will be referred to:
   1. Catholic Charities
   2. STOP, Inc.
   3. The UP Center
   4. The City of Virginia Beach Department of Human Services, Mental Health/Substance Abuse.

E. Participants in need of legal counseling will be referred to Legal Aid Society of Eastern Virginia.

F. Participants desiring to obtain information about education are referred to:
   1. The Virginia Tidewater Consortium for Higher Education
   2. Tidewater Community College

G. DHNP FSS Program staff will coordinate workshops, classes, and services from FSS Service Providers on various topics including, but not limited to, first time home buyer/home ownership preparation, domestic violence, budgeting and credit management, employment search/preparation/interviewing skills, and achieving personal success.

VII. Transitional Assistance

DHNP may continue to offer a former participating family that is employed and that has successfully completed its contract, appropriate supportive service that may assist the family in remaining self-sufficient. DHNP’s FSS Program will strive towards achieving a maximum rate of success for its eligible FSS participants under the guidance of the Coordinating Committee and the coordination of services necessary to facilitate their efforts to achieve and maintain economic self-sufficiency.
VIII. Additional Information

DHNP may update its Family Self Sufficiency Plan, as it deems necessary. DHNP is looking for new ideas to make the program more marketable as well as successful to all those who wish to participate in the Self-Sufficiency Program. DHNP will try and obtain a cooperation agreement designed to meet the unique employment-related needs of residents by providing for placement with elements as may be appropriate to achieve maximum success in obtaining full-time employment.

IX. FSS Participant Demographics

CITY OF VIRGINIA BEACH
DEPARTMENT OF HOUSING AND NEIGHBORHOOD PRESERVATION (DHNP)
FAMILY SELF-SUFFICIENCY PROGRAM (FSS)
PARTICIPANT DEMOGRAPHICS 2016
44 PARTICIPANTS

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<thead>
<tr>
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<th>Gender</th>
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### Household Members

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<td>Over Age 65</td>
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### Disability Status

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<td>Household Member Disabled</td>
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### Head of Household Education

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### Head of Household Single Parent Status

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</table>

### Income

- **Average Gross Annual Income - Head of Household - February 1, 2017**
  - 44 Heads of Household = $19,459

- **Average Gross Annual Income – Family - February 1, 2017**
  - 44 Families = $24,582
### Gross Annual Income – Head of Household – February 1, 2017

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<td>0</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>44 Heads of Household</strong></td>
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### Gross Annual Income – Family – February 1, 2017

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<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>44 Families</strong></td>
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</table>
The City of Virginia Beach Department of Housing and Neighborhood Preservation

Reasonable Accommodation Policy and Procedures
The City of Virginia Beach Department of Housing and Neighborhood Preservation
Reasonable Accommodation Policy and Procedures

The City of Virginia Beach Department of Housing and Neighborhood Preservation (DHNP) is committed to ensuring that its policies and procedures do not deny individuals with disabilities the opportunity to participate in, or benefit from, nor otherwise discriminate against individuals with disabilities, on the basis of disability, in connection with the operations of DHNP’s programs, services and activities. Therefore, if an individual with a disability requires an accommodation such as an accessible feature or modification to a DHNP policy, DHNP will provide such accommodation unless doing so would result in a fundamental alteration in the nature of the program; or an undue financial and administrative burden. In such a case, DHNP will reassess the request and the necessary accommodation based on the need.

A reasonable accommodation is defined as a change, modification, alteration or adaptation in policy, procedure, practice, program, or facility that provides a qualified individual with a disability the opportunity to participate in, or benefit from, a program (housing or non-housing) or activity.

DHNP will maintain a copy of this Reasonable Accommodation Policy and Procedures in the Main Office at 2424 Courthouse Dr. Virginia Beach, VA.

DHNP acknowledges that Section 504 provides that no otherwise qualified individual with handicaps shall, solely by reason of his or her disability be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Recipient further acknowledges the following provisions of Section 504:

Section 504 Program Requirements

a. 24 CFR Part 8 Section 8.6(a)(1)(2), Communication requires that Recipients shall take appropriate steps to ensure effective communication with applicants, beneficiaries, and members of the public to include the telecommunication devices for deaf persons (TDD) or equally effective communication systems.

b. 24 CFR Part 8 Section 8.53(a), Designation of responsible employee (Section 504Coordinator) requires Recipients that employ 15 or more persons shall designate at least one (1) person to coordinate its efforts to comply with this Part.

c. 24 CFR Part 8 Section 8.53(b), Adoption of grievance procedure, requires Recipients that employ 15 or more persons shall adopt grievance procedures that incorporate appropriate due process standards and that provide for the prompt and equitable resolution of complaints alleging any action prohibited in this Part.
d. 24 CFR Part 8 Section 8.54(a), Notice, requires Recipients that employ 15 or more persons shall take appropriate initial and continuing steps to notify participants, beneficiaries, applicants, and employees that it does not discriminate on the basis of handicap.

LEGAL AUTHORITY

DHNP is subject to Federal civil rights laws and regulations. This Reasonable Accommodation Policy is based on the following statutes or regulations. See Section 504 of the Rehabilitation Act of 1973 (Section 504); Title II of the Americans with Disabilities Act of 1990 (ADA); the Fair Housing Act of 1968.

Please be advised that all property owners should adhere to the Section 504 of the Rehabilitation Act of 1973 (Section 504), Title II of the Americans with Disabilities Act of 1990 (ADA), and the Fair Housing Act of 1968.

MONITORING AND ENFORCEMENT

DHNP's Section 504 Coordinator is responsible for monitoring DHNP's compliance with this Policy. Individuals who have questions regarding this Policy, its interpretation or implementation should contact DHNP's Section 504 Coordinator in writing, by telephone, or by appointment, as follows:

Shawnti Todd  
Section 504 Coordinator  
2424 Courthouse Dr.  
Virginia Beach, VA. 23456  
Telephone: (757) 385-5732  
Facsimile: (757) 385-5766  
TDD/TTY Number: (757) 385-5794

STAFF TRAINING

The Section 504 Coordinator will ensure that all appropriate DHNP staff receives annual training on the Reasonable Accommodation Policy and Procedures, including all applicable Federal, state and local requirements regarding reasonable accommodation.

REASONABLE ACCOMMODATION

A person with a disability or a representative of that person may request a reasonable accommodation at any time during the application process, and/ or participation in DHNP programs. The request is an exception, change, or adjustment to a rule, policy, practice, or service because of their disability. The person requesting the accommodation should explain the type of accommodation she or he is requesting, if the need for the accommodation is not readily apparent or not known to the provider and explain the relationship between the
requested accommodation and the disability. Once a request is made, DHNP staff will document the request in writing and submit to the Section 504 Coordinator.

Reasonable accommodation methods or actions that may be appropriate for a particular program and individual may be found to be inappropriate for another program or individual. The decision to approve or deny a request for a reasonable accommodation is made on a case-by-case basis and takes into consideration the disability and the needs of the individual as well as the nature of the program or activity in which the individual seeks to participate.

**PERSON WITH DISABILITY**

A person with a disability means an individual who has a physical or mental impairment that substantially limits one or more major life activities. As used in this definition, the phrase "physical or mental impairment" includes:

a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss attesting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genital-urinary; hemic and lymphatic; skin; and endocrine; or

b) 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, mental retardation, emotional illness, drug addiction and alcoholism,

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

Juvenile offenders and sex offenders, by virtue of that status, are not persons with disabilities protected by the Act. Similarly, while the Act does protect persons who are recovering from substance abuse, it does not protect persons who are currently engaging in the current illegal use of controlled substances. Additionally, the Act does not protect an individual with a disability, whose tenancy would constitute a "direct threat" to the health or safety of other? Individuals or result in substantial physical damage to the property of others unless the threat can be eliminated or significantly reduced by reasonable accommodation.

**ESSENTIAL OBLIGATIONS OF TENANCY**

An applicant, participant, or a family that has a member with a disability must still be able to meet essential obligations of tenancy. They must be able:

a) To pay rent and other charges (e.g. utility bills) as required by the lease in a timely
manner;
b) To care for and avoid damaging the unit and common areas;
c) To use facilities and equipment in a reasonable way;
d) To create no health or safety hazards;
e) Not to interfere with the rights and peaceful enjoyment of others, and to avoid damaging the property of others;
f) Not to engage in prohibited criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents or staff; and not to engage in drug-related criminal activity; and
g) To comply with necessary and reasonable rules and program requirements of HUD and DHNP. There is no requirement that they be able to do these things without assistance.

REFERRAL FOR ASSISTANCE

If an applicant, participant, or resident family member needs assistance with one of the essential obligations of tenancy, DHNP will, as a reasonable accommodation, make a referral to an individual or agency that can provide such assistance.

COMMUNICATION WITH PERSONS WITH DISABILITIES

DHNP communicates with all persons with disabilities in a manner that is understandable to them. Simply mailing out written material is insufficient. People who have sensory or cognitive impairments are entitled to the form of communication that they request and that will be intelligible to them.

In some cases, this will require different forms of communication DHNP will request support through City of Virginia Beach Language Bank and/or Language Line Solutions. In other cases, it will require communicating with someone other than or in addition to the applicant or participant, which may be a family member, friend, advocate, caseworker, etc., as requested by the applicant or participant. Alternative forms of communication might include:

a) Sign language interpretation;
b) Having materials explained orally by staff, either in person or by phone;
c) Large type materials; information on tape;
d) Having someone (friend, relative or advocate) accompany the applicant to receive, interpret and explain housing materials;
e) Permitting applicants to file applications by mail; and
f) Permitting alternative sites for application taking.

If an applicant, participant, or representative requests alternate forms of communication, their file is noted and all future communications (notices, letters, etc.,) are provided in the appropriate format.
a) DHNP staff will present examples to help persons with cognitive impairments understand eligibility, rent computation, applicant screening, reasonable accommodations, and lease compliance.

b) DHNP staff will explain rules and benefits verbally, as often as may be needed, because some disabilities may affect an applicant's, or c) DHNP staff will read and explain anything that they would normally hand to an applicant, or participant who cannot read (or read English).

c) Applicants, or participants, who read or understand little English, may furnish an interpreter who can explain what is going on.

DHNP prepares the following information for applicants, and participants, in plain-language accessible formats:

a) Marketing, promotional, and informational materials
b) Information about the application process
c) General statement about reasonable accommodation
d) How rents and utility allowances are determined
e) The application form and required certifications
f) Information about opening, updating or closing the waiting list
g) All form letters and notices to applicants, participants, and residents
h) Information about hearings for rejected applicants
i) Orientation materials for new residents include:
   1. The lease and house rules, if any
   2. Guidance or instructions about care of the housing unit
   3. All information related to applicant’s rights (to informal hearings, grievance Procedure etc.)
j) Briefing materials for HCV participants include program guidelines and processes.

Some applicants and participants with disabilities will be unable, because of their disabilities, to come to DHNP facilities for meetings, interviews, etc. In this case, DHNP staff will go to the location where they are to conduct meetings, interviews, etc.

DHNP bears the cost for providing alternate methods of communication, plain language paperwork and going to the homes or other locations for applicant, participants, or residents with disabilities.

UPDATING APPLICANT/PARTICIPANT INFORMATION ON NEEDS OF PERSONS
WITH DISABILITIES

Each year, as part of the annual reexamination, DHNP staff will ask every participant whether they need any special features in their units or any changes in procedures because they or someone in their family has a disability.

If applicants or participants do not inform DHNP of their disability needs or if they are unwilling to disclose the fact that they have a disability, DHNP will not be able to make reasonable accommodations.

PROCESSING OF REASONABLE ACCOMMODATION REQUESTS

Individuals may submit their reasonable accommodation request(s) in writing, orally, or by any other equally effective means of communication. However, DHNP will ensure that all reasonable accommodation requests will be reduced to writing. If needed as a reasonable accommodation, the DHNP will assist with the completion of the Request Form.

a) DHNP will provide all applicants with the Request Form as an attachment to the DHNP application. The Request for Reasonable Accommodation Form must be provided in an alternative format, upon request.

b) DHNP will notify all participants the opportunity to Request for Reasonable Accommodation during the annual recertification, and upon request. The DHNP will provide the request form in an alternate form, upon request.

c) Participants may also contact the Section 504 Coordinator's office directly to request the accommodation(s).

d) Within seven (7) business days of receipt of a request the Housing Specialist or Housing Program Coordinator will forward the participants reasonable accommodation request(s) to the Section 504 Coordinator, and/or the Housing Program Coordinator.

e) Within twenty (20) business days or receipt, the Housing Specialist will respond to the Applicant's/Participant's Request and notify the Section 504 Coordinator or the Housing Programs Coordinator.

f) If additional information or documentation is required, the Section 504 Coordinator's office, and/or the Housing Programs Coordinator will notify the applicant/participant, in writing, of the need for the additional information or documentation. The written
notification should provide the participant with a reply date for submission of the outstanding information or documentation.

g) Within thirty (30) business days of receipt of the request and, if necessary, all supporting documentation, DHNP will provide written notification to the applicants/participant of its decision to approve or deny the participants/resident's request(s). Upon request, the written notification will be provided in an alternate format. An electronic copy of the "Denial or Approval Letter will be maintained in clients file.

h) If DHNP approves the accommodation request(s), the applicant/participant will be notified of the projected date for implementation.

j) If the accommodation is denied, the applicant/participant will be notified of the reasons for denial. In addition, the notification of the denial will also provide the applicant/participant with information regarding Grievance Procedures.

k) All recommendations that have been approved by the Section 504 Coordinator, and/or Housing Programs Coordinator will be forwarded to the appropriate staff member. All requests for reasonable accommodation that are approved will promptly be implemented or begin the process of implementation.

VERIFICATION OF REASONABLE ACCOMMODATION REQUEST

If the nature of the applicant/participant disability is readily apparent and the need for the reasonable accommodation is obvious, then no additional verification is requested. If the nature of the applicant/participant/resident's disability is known, but the requested accommodation does not appear related to the disability, DHNP will request information necessary to evaluate the disability-related need for the accommodation.

DHNP may verify a person's disability only to the extent necessary to ensure that individuals who have requested a reasonable accommodation have a disability-based need for the requested accommodation.

DHNP may not require individuals to disclose confidential medical records in order to verify a disability. In addition, DHNP may not require specific details regarding the individual's disability. DHNP may only request documentation to confirm the disability-related need(s) for the requested reasonable accommodation(s). DHNP may not require the individual to disclose the specific disability(ies); or the nature or extent of the individual's disability(ies).
The following may provide verification of an applicant/participant's disability and the need for the requested accommodation(s):

   a) Physician
   b) Licensed health professional;
   b) Professional representing a social service agency;
   c) Disability agency or clinic

DENIAL OF REASONABLE ACCOMMODATION REQUEST(S)

Requested accommodations will not be approved if one of the following would occur as a result:

   a) A violation of State and/or federal law;
   b) A fundamental alteration in the nature of DHNP programs;
   c) An undue financial and administrative burden on DHNP;

HOUSING CHOICE VOUCHER AS REASONABLE ACCOMMODATION

   a) When issuing a voucher as an accommodation, DHNP must include a list of current available accessible units known to DHNP upon request. DHNP may also partner with a qualified, local disability organization to assist the resident or applicant with the search for available, accessible housing. See 24 C.F.R. § 8.28.

   b) Extensions beyond the maximum term of one hundred eighty (180) days are available as a reasonable accommodation to eligible individuals with disabilities. These extensions are subject to documentation that a diligent effort to locate a unit has been conducted considering any impediments to searching because of a family member's disability.

   c) DHNP may, if necessary as a reasonable accommodation for an individual with a disability, approve a family's request for an exception payment standard amount under the Housing Choice Voucher Program so that the program is readily accessible to and usable by individuals with disabilities. See 24 C.F.R. §§8.28 and 982.504(b)(2).

   d) Upon request by an applicant, participant, or their representative, DHNP will ask the HUD Field Office for an exception payment standard up to 120% of the Fair Market Rent (FMR). However, the applicant, participant or the representative, must provide documentation of the need for the exception payment standard to DHNP.

   e) In exceptional cases, DHNP may ask the Assistant Secretary for Public
and Indian Housing of HUD for an exception payment standard amount over 120% of the FMR, provided the applicant, participant or the representative provides the appropriate supporting documentation.

f) DHNP will assist participant with contacting landlord to make a reasonable accommodation request should the need arise, i.e. service animal or alterations to the unit.

RIGHT TO APPEAL/GRIEVANCE PROCESS

An applicant or participant may, at any time, exercise their right to file a complaint in accordance or appeal decision through contacting DHNP’s Director at:

Andrew Friedman
Director
Department of Housing and Neighborhood Preservation
2424 Courthouse Drive, Bldg18A
Virginia Beach, VA 23456-9083
Telephone: (757) 385-5752
Facsimile: (757) 385-5766
TDD/TTY Number: (757) 385-5794
EXECUTIVE SUMMARY AND CONCLUSIONS

The Subject, Baker II Apartments, is a proposed multi-family LIHTC development consisting of 57 units. The Subject will target family households and will consist of five one-bedroom units restricted to households earning 50 percent AMI, 28 two-bedroom units restricted to households earning 50 percent AMI, and 24 three-bedroom units restricted to households earning 50 and 60 percent AMI. The Subject property will be of garden-style design and will consist of five three-story buildings. Baker II will be jointly managed with Baker Woods, a proposed 96-unit LIHTC property located about 0.7 miles east of the Subject. Baker Woods, which has the same developer as the Subject, is scheduled to being construction in March 2014.

The Subject’s proposed rents are detailed in the following table.

**PROPOSED RENTS**

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Number of Units</th>
<th>Asking Rent</th>
<th>Utility Allowance (1)</th>
<th>Gross Rent</th>
<th>Maximum Allowable Gross Rent</th>
<th>2014 Payment Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>1BR/1BA</td>
<td>1</td>
<td>$522</td>
<td>$162</td>
<td>$684</td>
<td>$661</td>
<td>$1,032</td>
</tr>
<tr>
<td>2BR/2BA</td>
<td>3</td>
<td>$674</td>
<td>$203</td>
<td>$877</td>
<td>$794</td>
<td>$1,130</td>
</tr>
<tr>
<td>3BR/2BA</td>
<td>2</td>
<td>$778</td>
<td>$244</td>
<td>$1,022</td>
<td>$917</td>
<td>$1,421</td>
</tr>
<tr>
<td>1BR/1BA</td>
<td>4</td>
<td>$522</td>
<td>$99</td>
<td>$621</td>
<td>$661</td>
<td>$1,032</td>
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<tr>
<td>2BR/2BA</td>
<td>25</td>
<td>$674</td>
<td>$120</td>
<td>$794</td>
<td>$794</td>
<td>$1,130</td>
</tr>
<tr>
<td>3BR/2BA</td>
<td>11</td>
<td>$778</td>
<td>$139</td>
<td>$917</td>
<td>$917</td>
<td>$1,421</td>
</tr>
<tr>
<td>3BR/2BA</td>
<td>11</td>
<td>$914</td>
<td>$139</td>
<td>$1,053</td>
<td>$1,101</td>
<td>$1,421</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>57</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: (1) Source of Utility Allowance provided by the Developer for the LIHTC units without subsidy. For the units with subsidy, the utility allowances are per the City of Virginia Beach, Department of Housing and Neighborhood Preservation, dated 7/1/2013.
(2) Units at 50 percent of AMI with subsidy will have the contract rents set at 50 percent of AMI with tenants paying a rent no higher than 40 percent of AMI. If the subsidy is lost, these rents cannot exceed the maximum allowable at 40 percent of AMI.

In general, we believe there is demand in the marketplace for the Subject as conceived. We recommend no changes to the development scheme.

**Strengths**

- Six of the Subject’s units will benefit from project-based vouchers.
- The majority of units at the Subject will offer units targeting 50 percent AMI, which are somewhat limited in the market.
- The Subject’s proposed in-unit and community amenities package is competitive with the comparables.
- The LIHTC vacancy at the comparable properties is 3.8 percent, which is similar to the overall vacancy rate for market rate comparables.
- Several property managers reported strongest demand in the larger units sizes, including two and three-bedroom units.
• The Subject will be located in close proximity to many services, schools, and retailers.

Weaknesses
• None significant.

We believe there is ample demand for the Subject as proposed. Our concluded capture rates and absorption are shown in the table below.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Wide Capture Rate - LIHTC Units</td>
<td>5.4%</td>
</tr>
<tr>
<td>Project Wide Capture Rate - Market Units</td>
<td>n/a</td>
</tr>
<tr>
<td>Project Wide Capture Rate - All Units</td>
<td>5.4%</td>
</tr>
<tr>
<td>Project Wide Absorption Period (Months)</td>
<td>6</td>
</tr>
</tbody>
</table>
PROJECT NARRATIVE

PROJECT NAME: Tranquility at the Lakes
5827 Burton Station Road
Virginia Beach, VA

HOUSING AUTHORITY: City of Virginia Beach
Department of Housing and Neighborhood Preservation

THE PROJECT
Total Number of Units: 40
Type of Units: 1 and 2 bedroom apartments
Bedroom Distribution: 34 - 1 Bedroom 1 Bath units
6 - 2 Bedroom 1 ½ Bath units

Portion and Type of Units Receiving Assistance: Twenty (20) units will receive Project Based Rental Assistance from the City of Virginia.
Ten (10) of the units will receive HOME Funds from the City of Virginia Beach.
Eleven (11) of the units will receive HOME Funds from the Department of Housing and Community Development.
40 units will be available to seniors 62 or older earning fifty percent (50%) or less of the Area Median Income (AMI)

DESCRIPTION:
Tranquility at the Lakes involves the new construction of 40 affordable apartments for the seniors in the Burton Station neighborhood in the City of Virginia Beach. The neighborhood is within the Burton Station Strategic Growth Area as identified in the City of Virginia Beach Comprehensive Plan. The City is currently constructing the first phase of infrastructure improvements that will serve Burton Station Road. The City of Virginia Beach’s long-term plan is to make Burton Station a vibrant mixed-use, mixed-income neighborhood while honoring the history of the community. Tranquility at the Lakes will be the first significant housing development targeted for the corridor. Tranquility at the Lakes will be marketed to qualified, interested senior households within the market area and will also reach out to current and former residents of the community interested in returning to a revitalized neighborhood. Tranquility at the Lakes is in keeping with the goals of the Burton Station Strategic Growth Area plan.

Each of the units will include a living room; a kitchen equipped with a front control range, full sized refrigerator, and dishwasher; and individually control heat and air conditioning units. The 1 Bedroom units will be approximately 498 sf and the 2 Bedroom units are approximately 806 sf. Five (5) of the units will be accessible for persons with disabilities and two (2) of those units will include features for individuals that are sensory impaired.
Effective April 1, 2014, The Virginia Beach Department of Housing and Neighborhood Preservation (DHNP) has elected to allow self-certifications from the landlord and tenant to verify that all non-life threatening code violations cited during tenant based annual and/or special re-inspections have been corrected. This process complies with 24 CFR 982.404. DHNP will not accept self-certification forms in cases where defects of a life threatening nature are found. Owners and tenants must certify that all the defects have been corrected. Verification of completed repairs may be made during the next on-site inspection. In addition, randomly-selected units will be subject to quality-control inspections to provide additional verification.

The purpose of allowing self-certification is to reduce the burden on landlords, tenants and the city for conducting additional inspection visits when there are minor violations that can easily be corrected. Please note that whether self-certification on a particular unit can be allowed will be determined by the inspector at the time of inspection. In addition, self-certification is NOT required even when the inspector determines that it is allowable. If the landlord and/or tenant are not willing to conduct the self-certification process, then the normal re-inspection process will be conducted.

**SELF-CERTIFICATION PROCESS**

If your unit fails an annual or special inspection, the inspector will determine whether self-certification is sufficient based upon the severity of the defects and the overall condition of the property. Life threatening or critical defects must always be rectified within 24 hours and will never be eligible for self-certification. Please see the attached list of life-threatening or critical defects. Units where numerous defects are noted will also not qualify for self-certification.

In order to complete the self-certification process, **all code violations cited during the annual inspection must be corrected and the landlord and the tenant MUST sign the enclosed self-certification form** certifying that all repairs have been completed. The certification form, and any applicable work orders/receipts, must be returned to DHNP within 14 calendar days of the failed inspection. The form can be mailed to the DHNP office, attention Shawnti Todd, faxed to 757-385-5766 or emailed to STodd@vbgov.com.

If a self-certification form is NOT returned by the deadline date, a physical re-inspection of the property will be required to confirm compliance.

**ABATEMENT OF RENT**

If DHNP is unable to perform and confirm that all defects have been repaired through a re-inspection, or if the self-certification form is not received within 30 days, the rent abatement process will automatically be initiated. Payment will stop on the first day of the first month for which payment has not already been generated.
Virginia Beach Dept. of Housing and Neighborhood Preservation  
Housing Choice Voucher Program  

**Notice for Landlords and Program Participants**  

**PROCESS FOR SELF-CERTIFYING REPAIRS ON UNITS ASSISTED THROUGH THE HCV PROGRAM**  

**April 1, 2014**

Once in abatement status, a physical follow up inspection will be required in order to verify that all defects have been corrected. When the unit passes the re-inspection, DHNP will resume the Housing Assistance Payment (HAP) from the date the unit passes inspection.  

If a self-certification is received within 21 days after the inspection, the owner’s subsidy will not be suspended. This provision is designed to encourage owners to promptly complete repairs and to include the tenant in this process.

**PROGRAM AUDITING**

Random quality control inspections will be performed to verify that all defects have been completed on units where a self-certification form was utilized. If it is determined that certified repairs were not completed, DHNP will consider penalties against the landlord and/or tenant including, but not limited to, restricting landlords from submitting future self-certification forms, termination of the family’s assistance and/or terminating the HAP contract. Multiple cases of false self-certification in regards to completed repairs will result in termination of all contracts entered into with the landlord and prohibit the landlord from participating in the program in the future.

**Life-Threatening or Critical Defects for Which Self-Certification Will Not be Allowed:**

1. No working smoke detectors – at a minimum, working smoke detectors are required in the hallway outside the sleeping areas and one each story level of the unit.
2. Occupied structure without electrical service – all units must be supplied with legal electrical service in a safe working order.
3. Occupied structure without a legal water supply – all units must be connected to an approved water service and supplied with hot or tempered and cold running water.
4. No heat – dwelling units must be provided with heating facilities capable of maintaining 65 degrees F throughout the unit; portable space heaters are considered supplementary heat sources only.
5. Fire hazards – damaged/defective electrical equipment; damaged/defective fuel burning equipment; excessive clutter which could prohibit safe egress from the unit.
6. Severe structural defects and/or structures lacking maintenance to a serious degree – collapsed or partially collapsing portions of a structure are grounds to require vacating the unit immediately.
7. Unsanitary conditions – sewage leaks and/or backups into the structure; rat and vermin infestation; general filth.
March 28, 2014

Dear [Name]:

Even though you reported your increase in income verbally in January, it wasn't until April 5, 2007 that we received written verification of your new income for your recent recertification. It is specified in the Certification of Family Responsibility that you must provide the third party verification from the source of income, as soon as you become aware of the income change.

Therefore, it is necessary that you sign a Repayment Agreement to pay back the $[Amount] subsidy we overpaid on your account. Failure to keep the following appointment to sign this Agreement will result in the termination of your subsidy on August 31, 2014. I have set an appointment for you to meet with me to sign this agreement as follows:

April 11, 2014 at 10:00 a.m.

The amount of your down payment in the form of a money order down payment will be $[Amount]. This must be brought to your appointment. Please call me if this time is not convenient for you. Thanks.

Sincerely,
REPAYMENT AGREEMENT

This Repayment Agreement (“Agreement”) is made this day, the 26th of September 2013, by and between the City of Virginia Beach (“City”) and [Redacted] (“Participant” (Head of Household, Other Family Member)), Social Security Number [Redacted]; and

WHEREAS, the Participant was a recipient of funds from the City by virtue of his or her participation in the City’s Section 8 assistance program (“Program”); and

WHEREAS, the Participant has now acknowledged that he or she has received an overpayment of assistance funds from the City and thus is now indebted to the City in the amount of the overpayment; and

WHEREAS, the Participant now desires to make payments to repay the debt;

NOW, THEREFORE, in consideration for the following terms and conditions, the receipt and sufficiency of which is hereby mutually acknowledged, the parties agree and covenant as follows:

1. The Participant hereby duly acknowledges the receipt of an overpayment of housing assistance funds from the City in the amount of $[Redacted] (“Debt”), as shown in the report attached hereto as Exhibit “A,” and incorporated by reference herein.

2. The Participant further hereby acknowledges and agrees that the Debt was incurred as a result of a misrepresentation of income by the Participant to the City and that therefore, the Debt is not dischargeable in bankruptcy.

3. The Participant hereby agrees to repay the City the full amount of Debt in strict accordance with the following schedule and terms. Beginning on or before [Redacted]
the Participant shall pay to the City, in certified funds, or money-order, made payable to the City Treasurer for the City of Virginia Beach, a minimum payment of $\_\_\_\_\_, and such minimum payment shall continue to be paid by the Participant on the first day of each month thereafter until the Debt is paid in full. All payments shall be mailed or delivered to the City c/o the Department of Housing and Neighborhood Preservation, Municipal Center, Bldg. 18A, Virginia Beach, VA 23456.

4. The City hereby acknowledges a down payment of $\_\_\_\_.

5. In the event the City receives any payment ten (10) or more days past due, the Participant agrees and acknowledges that a late charge of ten percent (10%) of the monthly payment shall be assessed and paid by the Participant.

6. While the Participant is in repayment of the Debt, the Participant hereby agrees to give the City c/o the Department of Housing and Neighborhood Preservation, at least five (5) days notice of any change in Participant’s address, employment, and/or telephone numbers.

7. While the Participant is in repayment of the Debt, the Participant shall not be allowed to “port” to another jurisdiction unless expressly authorized by the City and/or HUD. For the purposes herein, “port,” shall be defined as it is in the Participant’s Section 8 Housing Assistance Program Contract (“HAP”).

8. In the event the Participant misses any payment when due or breaches this Agreement in any manner whatsoever, the Participant hereby agrees that he or she shall be considered in default and that as such the City shall have the right to declare the balance of the Debt, including any and all late fees, immediately due and payable, and may at any time the Participant is deemed in default, instigate formal collection efforts in
a court of law as specified below. Notwithstanding the foregoing, in the event the City does not instigate formal collection efforts on any instance of default by Participant, the same shall not be deemed a waiver of the City’s right to declare the Participant in default at any time any later default occurs.

9. Additionally, and notwithstanding anything contained in the HAP and/or anything else contained herein, and without prejudice to any other rights the City may have with respect to the terms herein, in the event of any monetary default by Participant of this Agreement, which is not cured within sixty (60) days of a notice thereof, and/or in the event of any substantial non-monetary default which cannot be reasonably cured by the Participant, including but not limited to, any misrepresentation of information by the Participant to the City, the Participant agrees that the City may terminate the housing assistance received by the Participant upon thirty (30) days written notice to the Participant, and such notice shall be deemed given at the Participant’s last address of record known to the City. Except as expressly provided herein, the parties agree that nothing contained in this paragraph shall be construed so as to prohibit the City from exercising any available remedy it may have immediately upon the default of Participant of this Agreement, with or without prior written notice of the City’s intent to do so.

10. If the Participant is in default, they may not move within the City of Virginia Beach under the Section 8 Housing Choice Voucher program, nor may they renew their lease.

11. In the event the City initiates formal collection efforts, whether or not the same includes formal litigation, the Participant agrees to pay the City’s actual attorneys’
fees and costs, as well as interest on the principal of the Debt owed at the current legal rate.

12. The Participant hereby declares that his/her current mailing address is: [_address]. and that Participant’s home, cell, and work phone numbers [phone_numbers]; and that Participant is currently employed by [employer] which is located at [location].

13. The Participant hereby covenants that all information stated in paragraph twelve (12) above is true and accurate.

14. This Agreement shall be governed by the laws of the Commonwealth of Virginia and the parties agree that proper venue for any claim or cause of action arising out of the terms hereof shall be in the courts for the City of Virginia Beach, Virginia.

15. In making this Agreement, the Participant hereby waives the benefit of the Homestead Exemption.

16. The Participant hereby agrees to indemnify and hold the City harmless from and against any and all claims, liabilities, losses, expenses, costs, and/or injuries or damages of any kind whatsoever, including reasonable attorneys’ fees, which may directly or indirectly result from the Participant’s execution of this Agreement.

17. The parties hereby affirm and agree that no promise, inducement or agreement not herein expressed has been made and that this Agreement contains the entire agreement between the parties hereto, and that the terms of this Agreement are contractual and not a mere recital.

WHEREFORE, the parties have agreed on the date first written above.
Signed and sealed this _____ day of __________________, 20__.

PARTICIPANT: ___________________

Signature: _________________________

STATE OF VIRGINIA,
CITY OF VIRGINIA BEACH, to-wit:

The foregoing instrument was subscribed and sworn before me this _____ day of __________________ 20__. He/She/They is/are either personally known to me or has/have produced a ______________________ as identification.

My commission expires: ________________20____                     Notary Public

                        ______________________
                        Notary ID# 

CITY OF VIRGINIA BEACH
HOUSING & NEIGHBORHOOD PRESERVATION,
Approved as to Contents:

_________________________
Andrew M. Friedman, Director

CITY OF VIRGINIA BEACH

By: ________________________________
   City Manager/Authorized Designee
STATE OF VIRGINIA,
CITY OF VIRGINIA BEACH, to-wit:

The foregoing instrument was subscribed and sworn before me this _______day of ____________________20____. He/She/They is/are either personally known to me or has/have produced a ______________________ as identification.

My commission expires: ________________20_____  ______________________

______________________
Notary Public

______________________
Notary ID#
FIRST AMENDMENT TO REPAYMENT AGREEMENT

This First Amendment to Repayment Agreement (“Amendment”) is made this day, the _____ of _____ 200_, by and between the City of Virginia Beach (“City”) and __________________________ (“Participant”), Social Security Number____________; and

WHEREAS, the Participant was a recipient of funds from the City by virtue of his or her participation in the City’s Section 8 assistance program (“Program”); and

WHEREAS, the Participant acknowledged that he or she received an overpayment of assistance funds from the City and was indebted to the City in the amount of the overpayment and signed an Agreement dated ____________(the “Agreement”) to repay those funds in the amount of _______ per month (the “Monthly Payment”); and

WHEREAS, a copy of the Agreement is attached as Exhibit A; and

WHEREAS, the Participant is in default of the terms of the Agreement and now desires to cure the default and repay the debt or the Participant’s financial condition has materially changed and they are no longer able to pay the Monthly Payment; and

WHEREAS, the City has agreed to reduce the Monthly Payment amount and the parties hereby agree to modify the Agreement to allow for the reduced Monthly Payment.

NOW, THEREFORE, in consideration of the following terms and conditions, the receipt and sufficiency of which is hereby mutually acknowledged, the parties agree and covenant as follows:

1. The Participant hereby duly acknowledges the receipt of an overpayment of housing assistance funds from the City in the amount $_________ (“Debt”), as shown in the report attached hereto as Exhibit “B,” and incorporated by reference herein.
2. The Participant hereby agrees to repay the City the full amount of Debt in strict accordance with the following schedule and terms: Beginning on or before ________ of __________, 200__, the Participant shall pay to the City, in certified funds, or money-order, made payable to the City Treasurer for the City of Virginia Beach, a minimum Monthly Payment of $____. ___, and such minimum Monthly Payment shall continue to be paid by the Participant on the first day of each month thereafter until the Debt is paid in full. All Monthly Payments shall be mailed or delivered to the City c/o the Department of Housing and Neighborhood Preservation, Municipal Center, Bldg. 18A, Virginia Beach, VA 23456.

3. If the Participant is in default, they may not move within the City of Virginia Beach under the Section 8 Housing Choice Voucher program, nor may they renew their lease.

4. If the Participant remains in default for more than 60 days, the City reserves the right to terminate housing assistance and proceed with collection efforts.

5. The Participant hereby declares that his/her current mailing address is:

_______________________________________________________________________
_______________________________________________________________________;

and that Participant’s home, cell, and work phone numbers are
_______________________________________________________________________;

and that Participant is currently employed by ___________________________________________________________________________
_______________________________________________________________________ which is located at _____________
_______________________________________________________________________.

6. The Participant hereby covenants that all information stated in paragraph five (5) above is true and accurate.

7. In all other respects, the Agreement shall remain in full force and effect.

WHEREFORE, the parties have agreed on the date first written above.

Signed and sealed this _____ day of ______________, 200__.

PARTICIPANT: ___________________

Signature: _________________________

STATE OF VIRGINIA,
CITY OF VIRGINIA BEACH, to-wit:

The foregoing instrument was acknowledged before me this _____day of ___________2006, by _____(type name)________________________, on its behalf. He/She/They is/are either personally known to me or has/have produced a ______________ as identification.

My commission expires: _______________ 20________ Notary Public

CITY OF VIRGINIA BEACH
HOUSING & NEIGHBORHOOD PRESERVATION,
Approved as to Contents:

_________________________
Andrew M. Friedman, Director

CITY OF VIRGINIA BEACH

By: ______________________________
City Manager/Authorized Designee
STATE OF VIRGINIA,
CITY OF VIRGINIA BEACH, to-wit:

The foregoing instrument was acknowledged before me this _____ day of ___________ 2006, by __________________________ City Manager/Authorized Designee, on its behalf. He/She/They is/are either personally known to me or has/have produced a ______________ as identification.

My commission expires: ____________________ 20________               ______________

Notary Public